AFRICA RECOVERY

United Nations Vol. 9 No. 1 June 1995

Africa under pressure from falling aid, rising debt

By **Christina Katsouris** and **Nii K. Bentsi-Enchill**

Cotton-picking in Ghana: higher prices for coffee, cocoa and cotton in 1994 boosted Africa's exports by $1.8 bn (3.3 per cent of total earnings in 1993). But the World Bank warns that prices will fall again.

Sub-Saharan Africa's urgent need for greater self-sufficiency has again been underlined by continuing problems in the key areas of debt, aid and investment. Its foreign debt rose from $200 bn in 1993 to $211 bn in 1994 with little relief in sight. Real per capita aid receipts have fallen since 1991 and the sub-Saharan share of foreign direct investment (FDI) in developing countries has halved to 5 per cent since 1991. While major donors have cut their official development assistance (ODA) to the lowest levels in 20 years, they admit that the cuts will hamper Africa's recovery efforts. Against this background, the UN Secretary-General has launched a new initiative to give renewed impetus to UN system efforts for African development (see page 24).

With sub-Saharan debt exceeding 254 per cent of export earnings by end-1994 – the World Bank says anything over 200 per cent is unsustainable – donors took a long-awaited step towards deeper debt relief when the "Naples" terms were applied by the Paris Club of official creditors in February. Five African countries got variations on the new terms which offer up to 67 per cent reduction for some bilateral debt stock or debt service (see page 11).

Although 25 of the world's 32 severely indebted low-income countries are African, few are likely to benefit from debt stock reduction because of the tough qualification criteria. This prompted developed and developing countries, at the April World Bank/International Monetary Fund (IMF) meetings, to call for more flexibility. Also in April, the Organization of African Unity Council of Ministers said that relief should rise to 80 per cent.

Debt problems make external viability "unlikely...in the foreseeable future" for most African countries, said the IMF in its 1995 *World Economic Outlook*. Both the IMF and Bank (in its 1995 *Global Economic Prospects*) predicted positive per capita income growth in 1995 for sub-Saharan Africa after 15 years of decline, with real output up 3.75 per cent (IMF) and averaging 3.8 per cent in 1995-2000 (Bank). But for countries now enjoying a sharp rise in com-

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'Global social contract' agreed at Summit

Africans see some progress on poverty, debt and aid

By **Pragati Pascale**
Copenhagen

The World Summit for Social Development closed in the early-morning darkness of Copenhagen on 13 March, leaving many of its 14,000 participants largely satisfied they had forged what UN Secretary-General Boutros Boutros-Ghali called a "new social contract at the global level."

The 6-12 March Summit was the largest-ever gathering of world leaders — 117 in total — including 35 from Africa. Among the ground-breaking agreements they signed on to in adopting the 100-page Copenhagen Declaration and Programme of Action were:

- eradicating absolute poverty by a target date to be set by each country;
- accelerating the development of Africa and least developed countries through increased official development assistance (ODA), and early alleviation or outright cancellation of the most impoverished countries' external debt;
- ensuring structural adjustment programmes "include social development goals," especially poverty eradication; and
- promoting full employment as a basic policy goal.

Much to the satisfaction of the Group of 77 (G-77), especially African countries, the Sum-

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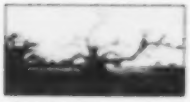

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Drought again threatens Southern Africa

By **Carole J.L. Collins**

Barely three years after Southern Africa's worst dry spell of the century, drought once again stalks many parts of the 11-nation region. Although not as extensive as in 1991/92, the drought has sharply cut cultivated cropped areas and food harvests in several countries and raised 1995/96 food import needs well above last year's levels. According to the US Agency for International Development (USAID), over 6 million people in the region will need emergency assistance in 1995 and 1996 due to drought.

Late, patchy rains combined with hot dry spells in late 1994 and early 1995 to sharply reduce expected grain harvests in seven countries, according to the Food and Agriculture Organization (FAO) and the World Food Programme (WFP).

The Southern African Development Community's (SADC) Harare-based Regional Early Warning Unit (REWU) estimates the region's overall maize output will drop 41 per cent this year to about 12 mn tonnes, 3.5 mn tonnes short of regional food requirements. This is a long way from the 1993/94 bumper crop of almost 20 mn tonnes, 62.5 per cent of which came from South Africa alone.

At the end of April, the FAO and WFP asked donors for $38 mn in food aid for initial emergency operations in Lesotho, Malawi, Mozambique and Zambia. FAO forecasts Southern Africa will need to import 15 per cent more coarse grain in 1995/96 compared to the previous year due to the drought. WFP estimates that in addition to the region's 1995-96 commercial food import requirements, 200,000 tonnes of maize will be needed to meet emergency food needs. As *Africa Recovery* went to press, SADC was preparing a special appeal to donors to cover the region's food and non-food emergency needs.

Only Tanzania and the northern regions of Mozambique, Zambia and Malawi expect normal or improved maize harvests. While the number of Angolans needing food aid should drop to 1.1 mn (over half the number in need last year), insecurity continues to limit food production.

According to USAID, **Zimbabwe** is particularly hard-hit. The number of people receiving drought relief — already 2.7 mn at the end of February — may rise as high as 4.75 mn, or almost half the population. Low rainfall (only 67 per cent of average) and an outbreak of armyworm on small farms have reduced the maize crop to about 575,000 tonnes. This is 75 per cent lower than the 1993/94 harvest of 2.3 mn tonnes, and barely 28 per cent of Zimbabwe's average production level. One of the region's two major cereal exporters, the country suspended all maize exports earlier this year. After drawing on its 1.08 mn tonne grain reserve, it may need to import about 260,000 tonnes to meet domestic needs until next April's harvest.

Southern Africa's maize output could fall by 41 per cent this year and be about 3.5 mn tonnes short of regional food requirements.

Despite good rains in the north, **Zambia** faces its third poor cereal harvest in four years, and an estimated 490,000 people may need food assistance. In the main grain producing south, drought has cut the maize crop by about 15 per cent compared to last year's 1.02 mn tonnes. With a domestic need of 1.5 mn tonnes, Zambia faces a 339,000-tonne maize shortfall, most of which is expected to be covered by commercial imports.

Lesotho may only harvest 17,500 tonnes of maize, 10 per cent of its 1993/94 output and well below the drought-affected 1991/92 harvest of 55,500 tonnes, notes REWU. The government declared a drought emergency in early 1995, and about 350,000 people may need food relief. Annual maize imports are expected to be 249,000 tonnes, more than double the 1994/95 level. In **Swaziland**, some 90,000 people may need food aid.

For the fourth straight, **Botswana** — facing an 80-90 per cent shortfall in crops — has declared a drought emergency. Its maize crop may be less than 3,000 tonnes, the same as during the 1991/92 drought. Even its harvest of drought-resistant sorghum may drop over 60 per cent from last year's 39,000 tonnes.

Less than half the normal rainfall has slashed **Namibia's** millet, maize and sorghum crops. Maize may drop about 40 per cent below last year's 45,000 tonnes and double the 1994/95 import requirement of 47,000 tonnes.

Malawi's 1994/95 maize crop should be about 1.6 mn tonnes, up 50 per cent on last year, according to the FAO and WFP. But the country still will need to import about 240,000 tonnes during the 1995/96 marketing year. Almost 4.5 mn Malawians were receiving emergency food aid due to the poor 1993/94 crop.

Mozambique's maize crop will be about 27 per cent higher than last year's, but USAID estimates about 1.5 million people will still need food aid, especially in Tete province and parts of the south where insufficient rain and high numbers of returning refugees have strained local food supplies.

South Africa, the region's largest grain producer, will need to import about 1 mn tonnes of maize to offset the effects of an early dry spell. REWU estimates South Africa's maize harvest at only 4.3 mn tonnes, way down from last year's bumper harvest of 12.5 mn tonnes. South Africa suspended all maize exports starting in January, except for some previously committed to Botswana, Lesotho and Swaziland.

SADC and donors have improved their capacity to respond since the severe 1991/1992 drought (see *Africa Recovery* Briefing Paper No. 9, "Famine Defeated," August 1993). "SADC itself is now in a position to run the logistics of routing food shipments inland from the region's ports," said WFP Information Officer Francis Mwanza. Many donors have set up large counterpart funds which can be quickly disbursed as needed. SADC early on requested World Bank aid for commercial food imports, and it is asking its members to set aside funds in their yearly budgets for drought.

SADC is currently seeking funds for a $63.17 mn food security programme. Among other things, this would promote intra-regional trade (reducing dependence on costly food imports) and establish a $30 mn regional fund for use during droughts to not only purchase grain but also feed and vaccinate cattle. ■

Emergency needs continue to grow

Rwanda

The April massacre of an estimated 2,000 displaced Hutus in Rwanda could hurt efforts to attract additional funds for the country's relief needs. The $219 mn consolidated UN appeal for Rwanda had received only $80.8 mn by late May, while about 60 per cent of the $589.3 mn sought for Rwandan refugees around the region had been contributed.

An International Independent Commission, established by the government with the help of donor countries, found that although the government did not plan the killings at Kibeho camp in southwestern Rwanda, steps could have been taken to prevent them. The Commission report said the government, Hutu paramilitaries and the United Nations all shared responsibility for the tragedy.

An unaccompanied Rwandan refugee is comforted by another refugee child

The 22 April incident at Kibeho also dealt a severe blow to efforts aimed at national reconciliation. The Security Council condemned the killing but welcomed the government's decision to set up the Commission.

Violence erupted as government soldiers trying to close the camp opened fire on a crowd of panicked Hutus who attempted to break through a military cordon. The Commission said the soldiers were not adequately trained or prepared for crowd control, while an insufficient number of UN Mission in Rwanda (UNAMIR) troops had been sent to the camp to monitor its closing.

The Commission blamed Hutu militiamen who had taken refuge in Kibeho for the camp's atmosphere of fear, as well as for the large arms build-up that prompted the government action.

On 9 June, the Security Council extended the UNAMIR mandate until 8 December but authorized a force reduction from the current 5,500 troops to 2,330 by 9 September and to 1,800 by 9 October. The Security Council also adjusted the mission's mandate so that it will focus more on confidence-building than peace-keeping. UNAMIR's tasks now include distribution of humanitarian assistance, facilitating the return of refugees, and sustaining a peace-keeping presence mainly in Kigali.

In May, the Security Council expressed "grave concern" with the situation in Rwanda's overcrowded prisons, where at least 32,000 people suspected of taking part in last year's genocide are being detained. Dozens of the prisoners have died, and the Security Council called on Secretary-General Boutros Boutros-Ghali to consider what urgent measures could be taken to improve prison conditions. The International Criminal Tribunal established by the Security Council to try the prisoners lacked operating funds for months, but by late May donors had pledged $6 mn to the Tribunal.

The uncertain security situation within Rwanda has stalled the repatriation of an estimated 2 million refugees. UN officials reported that the already low level of repatriations from the Zaire refugee camps in February and March came to almost a complete standstill after the Kibeho incident. In early April, the World Food Programme said Rwandan officials had begun to block the flow of food aid to the Zaire camps by halting trucks at the Rwanda-Zaire border.

Burundi

A nation-wide curfew and a ban on media promoting ethnic hatred were among measures announced by President Sylvestre Ntibantunganya on 18 June to contain ethnic violence. The gendarmerie would now handle security in the capital, Bujumbura, he said, condemning recent actions of the mainly Tutsi army. Briefing the Security Council in early June, UN Special Representative Ahmedou Ould Abdallah noted the "tense" conditions and sporadic violence after a three-day general strike in late May that virtually paralyzed Bujumbura.

A new round of ethnic violence that flared up in Bujumbura in the first months of the year, spread to other parts of the country in mid-March. The government said Hutu and Tutsi militias had engaged in "ethnic cleansing" in Bujumbura. In the north, marauding bands of Tutsi attacked and killed Rwandan Hutu refugees, prompting some 50,000 of them to flee to Tanzania. But they were turned back at the border by Tanzanian officials who said the country was already "overwhelmed" by 700,000 Rwandan refugees. Most refugees settled back into their former camps after the government promised them army protection. In early April, Burundi's Permanent Representative to the UN, Tharcisse Ntakibirora, said that despite the deteriorating security situation the country was not facing genocide. Ambassador Ntakibirora said the government was fighting with a Hutu militia aided by elements of the former Rwandan army and militia members from across the Zairian border, as well as contending with groups of Tutsi extremists.

Liberia

Economic Community of West African States (ECOWAS) leaders once again tried to negotiate a settlement to the conflict in Liberia in mid-May, where aid workers said the delivery of humanitarian assistance was being hindered by some of the most difficult circumstances in the civil war's bloody five-year history. The negotiations in the Nigerian capital of Abuja failed to settle power-sharing arrangements for the interim government, an issue that remains unresolved after numerous rounds of talks.

In mid-April, the Security Council extended the mandate of the United Nations Observer Mission in Liberia (UNOMIL) until the end of June even though the peace process

had stalled. The Security Council called on the country's warring factions to honour the cease-fire, install a Council of State, and abide by the other provisions of the Accra Agreement they signed in December 1994. The resolution also urged strict compliance with the Security Council's 1992 weapons embargo on Liberia and established a committee to monitor it and recommend action in response to violations.

In a report to the Security Council, Mr. Boutros-Ghali said military clashes between factions were intensifying, resulting in the displacement of thousands more Liberians. Between January and early April, some 67,000 newly displaced people descended on Buchanan, which has now swollen to 180,000, four times its pre-war population. Over 1.5 million Liberians have been internally displaced, while another 865,000 have fled to neighbouring countries.

Only limited sections of the country, mainly those areas in and around Monrovia controlled by ECOWAS Military Observer Group forces, are secure enough for sustained relief operations. The Food and Agriculture Organization said severe malnutrition has been observed in some areas. In February, the UN asked donors for $65.3 mn to sustain emergency assistance programmes in Liberia during the first six months of the year. The Department of Humanitarian Affairs reported that only $27.6 mn had been received by mid-May.

Angola

About 300 Uruguayan infantrymen arrived in Angola on 31 May, one of the first contingents of some 7,000 peace-keepers to be deployed as part of the UN Angola Verification Mission (UNAVEM III). The initial deployment followed a meeting between President Jose Eduardo dos Santos and UNITA leader Jonas Savimbi in the Zambian capital of Lusaka. After the meeting, the long-time rivals told reporters they had agreed to work together as "partners" in carrying out the peace accord signed in Lusaka late last year.

The Security Council had tied further deployment of troops and civilian personnel of UNAVEM III to the fulfillment of the conditions set down in the agreement, including honouring of the cease-fire, withdrawal of troops, release of prisoners and the opening of major roads. In a 3 May report to the Security Council, Mr. Boutros-Ghali noted that progress had been made in meeting some of the conditions, but warned he would recommend that UNAVEM III deployment be postponed or stopped if the conditions were not fulfilled.

In February, the UN appealed for $219 mn to provide relief aid for 1.1 million internally displaced and 100,000 Angolan refugees and to support demobilization and reintegration programmes for 90,000 former soldiers. By the middle of May, only about 12 per cent of that amount had been contributed. In his report, the Secretary-General said WFP and UNICEF were both severely short of relief supplies and urged donors to respond to the appeal. Funding also is needed for an ongoing programme to clear more than nine million land mines laid during the war. An estimated 70,000 Angolans have been killed by mines, while an equal number have been crippled or maimed.

Somalia

Withdrawal of the last UN Operation in Somalia (UNOSOM II) peace-keepers in early March from Mogadishu coincided with the signing of peace accords between the country's two main factions. The last peace-keepers left Mogadishu on 2 March, nearly a month ahead of the Security Council's deadline, bringing the 34-month mission to an end. The total cost of UNOSOM II and the earlier UNOSOM I was approximately $1.64 bn; more than 100 peace-keepers and thousands of Somalis were killed.

UN consolidated appeals, 1995
($mn)

	Requirements	Contributions as of mid-May
Rwanda	219.1	80.8
Rwandan refugees*	589.3	345.7
Angola	219.3	27.3
Somalia	70.3	13.1
Liberia	65.3	27.6
Sudan	101.1	22.3
Sierra Leone	14.6	2.3

*Rwandan refugee populations in Burundi, Tanzania, Uganda and Zaire

Source: UN Department of Humanitarian Affairs

The agreements signed by the leaders of the Somali National Alliance (SNA) and the Somali Salvation Alliance (SSA) helped to avert inter-clan fighting for Mogadishu's seaport and airport as the UN pulled out. Commercial activities had resumed at the seaport by mid-March, and goods were being delivered to local markets along routes protected by SNA and SSA militias. Although the overall situation remained relatively stable, bloody clashes between clan militias were reported in April and May in Mogadishu, Kismayo and the northwestern part of the country.

Mr. Boutros-Ghali said the UN would not abandon Somalia, and that humanitarian operations would focus on rehabilitation, recovery and reconstruction, as well as on providing emergency relief. In April, nine UN agencies and 49 NGOs were carrying out aid programmes around the country.

While an adequate harvest has ensured there will be no widespread food shortages in the coming months, the lack of an infrastructure capable of coping with even minor emergencies will make Somalia vulnerable to future disasters. Of the $70.3 mn UN appeal for emergency relief and short-term rehabilitation needs in Somalia through June 1995, only $13.1 has been contributed.

Sierra Leone

The UN has launched a $14.6 mn appeal for Sierra Leone, where internally displaced and refugee populations are growing due to escalating conflict between government and Revolutionary United Front (RUF) forces. The 16 March appeal said more than 500,000 internally displaced people have settled in and around the capital, Freetown, while more than 200,000 have fled across the border to Guinea. In late March, government troops were able to beat back an RUF offensive on the outskirts of Freetown. The appeal warned of a growing threat of epidemics among the refugees and displaced and urged donors to provide food aid and funding for emergency health, water and sanitation.

In early March, Mr. Boutros-Ghali appointed Mr. Berhanu Dinka of Ethiopia as his special envoy to the country. In a letter to the Security Council, he noted "the serious deterioration of the situation in the country" and warned that continued conflict in Sierra Leone "will further complicate the problem of bringing peace to Liberia and could have a more general destabilizing effect in the region."

Sudan

Sporadic clashes marred a late-March cease-fire negotiated by former US President Jimmy Carter to enable a two-month campaign against guinea worm and river blindness in southern Sudan. In late May, the government decided to extend the cease-fire. Continued insecurity in the south during the early months of the year continued to hold up food aid and other relief supplies. ■

African women get ready for Beijing

By **Sylviane Diouf-Kamara**

African women will go to the Fourth World Conference on Women in Beijing this September demanding a greater political role and affirmative action aimed at enabling them to fully contribute to peace and development in Africa.

Their position was spelt out at an African Region preparatory committee meeting held in Dakar attended by 5,000 women from around the continent. Despite tensions between governments and NGOs, as well as UN agencies, and controversy over issues that some delegations saw as intruding on national sovereignty, a consensus finally did emerge.

Ms. Gertrude Mongella, Secretary-General of the Fourth World Conference on Women, to be held in Beijing in September.

UNIC Kampala

The agreement was summed up in the African Platform for Action adopted by the ministers and government representatives. For each of the 11 areas of concern identified, the women proposed measures to be implemented by various organizations and agencies under the leadership of national governments.

Since women are the primary victims of poverty, as well as the primary caretakers of children, the African Platform stressed the need for specific policies to support female-headed households, which now represent 35 per cent of all households. In addition, the Platform calls for special economic programmes for poor women — especially in the informal and agricultural sectors — and pushes for changes in gender-biased laws that limit the economic potential of women.

Crucial areas covered by the platform include property rights, land rights, inheritance and asset holdings. These concerns, as well as all those related to family and socialization, were the most contentious issues since they touch on religious, cultural and traditional practices even more than actual legislation. They were hotly debated at the Preparatory Committee Meeting, and were the reason for Sudan making one of its two reservations.

Culture, and those traditions assigning specific roles to each sex, are increasingly seen as oppressive to women. This was underlined at the March 1995 Commission on the Status of Women in New York, where one of the appeals made by African women was for their governments to combat gender stereotypes and to promote the sharing of roles and responsibilities through education, information and legislation.

One example of their negative effects is the traditional division of labor, under which women are responsible for fetching water, gathering firewood and food. Because women are poor they often have no choice but to exploit natural resources. They are, therefore, not only the agents but also the first victims of ecological devastation.

Expanding women's roles

To reverse this trend, the Dakar Platform states that it is imperative for gender concerns to be integrated into environmental impact assessments and the overall development process, and that indigenous science, technology and traditional women's techniques should be strongly promoted.

In noting the importance of expanding women's roles, the Platform calls for affirmative action programmes that will lead to more women in the media more positive portrayals of women. The Platform focuses on the need for women in key ministries such as finance, defense, planning, and foreign affairs, and the importance of financial incentives to employers so that they can train unskilled women employees.

Africa was the only region to include a section on the girl-child in its Platform. This African initiative, pushed by NGOs in Dakar, has been incorporated into the global Platform for Action, the final version of which is being prepared by the Commission on the Status of Women for submission at Beijing. It is aimed at heightening awareness of the situation of girls and providing more opportunities for them in the fields of nutrition, education, decision-making and health care.

The Commission listed health and population control as priorities, and made clear that African women want cheaper and better availability of primary and reproductive health care services as well as the launching of a plan of action to combat the spread of HIV/AIDS.

During the Commission's meeting on the Status of Women, a representative of the Organization of African Unity emphasized the need to involve women in conflict resolution. This is a major concern of African women who advocate the establishment of women-for-peace networks accredited to regional and international institutions.

The African Platform is now part of the global Platform, which is being circulated in June for all countries to review. Ms. Selma Achipala of Namibia, the Commission's rapporteur, says this will ensure "there won't be too many brackets " in the text presented in Beijing.

Ms. Achipala notes that "the final document cannot incorporate every concern of the different regions." But she says African women "can definitely identify with the global Platform."

Whatever happens in Beijing, the African Platform will remain binding on African countries. As an independent and autonomous document it stands on its own, just waiting to be implemented. ■

Mixed results from CFA devaluation

By **Richard Uku**

In the 18 months since the massive devaluation of the CFA franc, overall growth (1.5 per cent in 1994) has returned to the 14 countries of the franc zone after years of steep decline. Growth will be even stronger in 1995, the International Monetary Fund (IMF) predicts, but performance has varied greatly between sectors and countries, and basic structural problems persist. With per capita incomes already low, wages fell by 40 per cent in 1994 and poverty remains the reality for most of the 80 million people in a zone that includes nine of the world's least developed countries (LDCs).

Most CFA countries were in deep financial trouble when France, the World Bank and the IMF insisted, at a January 1994 meeting in Dakar, that their first step towards recovery must be a big devaluation. In return, CFA countries were promised several billion dollars in debt relief and renewed lending to back tough adjustment reforms aimed at restoring export-led growth. They agreed to move from 50 to 100 CFA francs (and from 50 to 75 Comoro francs) for 1 French franc.

The devaluation – the first since 1948 – brought immediate shocks such as leaping prices, lost purchasing power and grave cash-flow problems for the public and private sector throughout the zone. Fortunately, it coincided with a surge in non-oil commodity prices that brought a $1 bn trade surplus for the zone in January-June 1994. Also boosted by the return of flight capital, foreign reserves and bank liquidity recovered strongly in some countries.

There was macro-economic progress for the seven-member West African Economic and Monetary Union (WAEMU), especially in Burkina Faso, Côte d'Ivoire and Mali. But results were far worse in the six-member Central African Economic and Monetary Community (CAEMC) where output and exports continued falling and revenue was far lower than projected, except in Gabon.

Cameroon, Central African Republic, Chad, Congo and Equatorial Guinea (along with Niger in the WAEMU region) all had mounting deficits and payment arrears which threw their adjustment programmes "off track," the IMF said. A spokesman conceded that slow policy changes, weak tax collection and big fiscal deficits were common across the zone, but particularly serious in these six countries.

As a whole, the franc zone failed to meet certain targets. These included an 0.6 per cent rise in export volumes against IMF projections of 2 per cent and a 9.5 per cent fall in imports that was more than twice as much as expected. Government revenues also rose by 37 per cent compared to a projected 49 per cent.

Devaluation was expected to boost rural incomes and shift consumption towards local products. Producer prices rose across the zone, but in most cases well below the level of devaluation. These nominal gains for many farmers were offset by higher than expected rates of inflation, with Chad and Togo recording peaks of 57 and 54 per cent. Among the LDCs, only Burkina Faso, Mali and Comoros had lower than expected inflation rates. The franc zone average exceeded 33 per cent compared to IMF projections of 31 per cent.

Devaluation doubled the price of imported gas in Niger and demand for fuel wood rose sharply, hampering government efforts to reduce the rate of deforestation

Progress in the export sector

The clearest gains were in the export sector, particularly for agriculture and livestock. Both Mali and Burkina Faso made huge increases in livestock exports to the subregion, facilitated by new European Union rules limiting European beef exports to the region. Cotton exports also rose sharply for Benin, Burkina Faso and Chad while Côte d'Ivoire got a $45 mn revenue boost from coffee and cocoa.

But with adjustment policy holding down wages, local purchasing power was hit hard, undermining some of the pick-up in production. The temporary price freezes that were imposed to cushion the devaluation shocks also hit local producers. With most manufacturers dependent on imports for over 70 per cent of inputs, devaluation virtually doubled production costs overnight while the price freeze kept sales prices lower than production costs. Sales also fell sharply due to the plunge in consumer purchasing power. And in the non-traded goods sector, especially construction and domestic services, "activity has tended to remain depressed, except in Benin and Côte d'Ivoire," the IMF reported.

Devaluation also hit the environment in some countries. With import prices for gas doubling after devaluation, demand for firewood rose rapidly in Niger, reports the Système francophone d'information agricole (SYFIA). This ruined government efforts to discourage fuel-wood use and reduce deforestation through taxes and stringent logging controls put in place in early 1993, measures which had already shown results by end-1993.

For 1995-96, the IMF and World Bank predict stronger growth and single digit inflation in CFA countries, while stressing the need for faster public sector reform and more financial discipline. Good weather and favourable world prices will be vital for sustaining the export recovery. But production constraints, low investment levels and tough conditions in the social sector will remain areas of concern throughout the franc zone. ■

African debate on reforms shifting focus

Nairobi conference urges end to externally oriented, aid-seeking approach

By ***Salim Lone***
Nairobi

For about a decade, discussions about Africa's well-being have been marked by fierce public debate about the nature of reforms needed to revive the continent's economic growth and to make the international economic environment less inimical to African interests. But that debate, centred particularly on structural adjustment programmes, has begun to recede now in the face of concerns about the very survival of African states and the growing conviction that it is primarily African actors and actions that can propel the continent out of a crisis that seemingly knows no limits.

The often acrimonious public debate on economic policy formulation had also reflected an African challenge — articulated with strong support from the Economic Commission for Africa and other United Nations bodies — to World Bank and donor orthodoxy. But that orthodoxy now holds sway in virtually every capital of the world, and governments find it easier to work within the prevailing environment rather than challenge it, an inclination strongly reinforced by sharply falling levels of assistance to Africa.

These new trends were forcefully evident at a recent international conference in Nairobi, Kenya, called to formulate "Africa's Imperative Agenda". The closed-door gathering, composed primarily of Africans, most of them both distinguished and outspoken, was remarkable for its non-polemical tone, and for its sharp focus on what Africa itself needs to do. And this despite the presence of Mr. Edward Jaycox, World Bank Vice President for Africa, whose passionate advocacy of structural adjustment often makes him a lightning rod at such gatherings.

The conference's internal orientation was in part a result of the conference "document" — a monograph by Mr. Philip Ndegwa, the conference organizer, and the indefatigable Africa expert and campaigner, Prof. Reginald Green of the Institute of Development Studies at the University of Sussex. The monograph devoted only three of its 18 sections to the external dimension of Africa's multiple crises, which it laid out in stark terms: "Africa is now a continent which cannot feed itself, meet its external financial obligations or the bill for its essential imports, protect its countries from conflicts, find productive employment for its increasing population, prevent environmental degradation, or exert any meaningful influence in the international decision-making process... A substantial number of countries are now in danger of national disintegration, including some which, as recently as the late 1980s, were held up as success stories."

This statement of the gravity of the crisis, however, was not the preamble, as is the case in many such declarations, to a plea for greater external assistance, because the authors recognize that "the international economic system will continue to function inequitably, unstably and in favour of the rich and powerful countries." Indeed, conference participants were unsparing in their criticism of the culture of dependency that has taken root and which has meant that Africa frequently looks to international initiatives and support in constructing its own programmes and policy frameworks. Senior officials are frequently more concerned about winning approval from donor officials for their policies, rather than formulating policies which meet their peoples' needs.

The World Bank now directly or indirectly stands on "the critical path" of nearly 75 per cent of total capital flows and debt relief to Africa.

As Mwalimu Julius Nyerere, the former Tanzanian president who is now Chairman of the South Commission, observed acidly: "We appoint Ministers of Finance who quickly become Ministers of Begging. Nobody respects beggars, especially able-bodied ones."

The Standard, Nairobi

Mr. Philip Ndegwa (right), who organized the international conference on ***Africa's Imperative Agenda*** *and co-authored the book on the same subject, with conference chairman Mwalimu Julius Nyerere. Mr. Ndegwa, Chairman of Kenya Airways and head of First Chartered Securities, was one of the eminent persons appointed in 1988 by the UN Secretary-General to examine Africa's financial needs. One of Africa's best known financial managers, he has been Economic Adviser to Kenya's President, Chairman of the Central Bank and Permanent Secretary of the Ministry of Finance.*

In this regard, numerous participants spoke of the "Afro-pessimism" which had set in after the heady expectations of the early 1990s, when many felt that a wave of grass roots, democratic liberalization was about to sweep Africa as countries such as Benin, Zambia and Kenya opened up their political systems. That early promise had faded, and the pessimism that had set in was a serious impediment to continental initiatives and mobilization, and also to prospective external support.

Despite the focus on Africa's own responsibilities and initiatives, the two days of animated debate did not spare the international community's policies toward the world's most impoverished continent. In opening the conference, Kenya's President Daniel arap Moi said African demands were often portrayed as appeals for hand-outs, when in fact what the continent sought was a correction of international inequities. He also criticized an emerging "neo-colonial" mentality in the West which asserted the right of outsiders to supervise political change in Africa. Unlike deficit and subsidy reduction, for which target dates can be set, political reform cannot be programmed to a schedule, he said.

Conference participants also took donors, including the World Bank, to task for imposing an ever-tightening web of conditionality which severely constricted Africa's options and its ability to formulate policies appropriate to national needs. "Donors tell us on the one hand to take charge, to take responsibility," one participant said. "Then they turn around and demand adherence to a very specific set of policies." The Bank in particular was criticized for having placed an inordinate emphasis on the structural adjustment programmes (SAPs) it rigorously prescribes.

African economies benefit from the macro-economic balances and "right prices" that SAPs aim to achieve, participants agreed, but more investment, greater production of goods and services, and increased employment and productivity were more important for the continent. These goals, and the over-riding one of reducing poverty, were often ignored by structural adjustment policies. Mr. Jaycox assured the meeting that these concerns had been heard, that the Bank was reassessing all its work in that context and seeking the views of all sectors of African society in order to serve the continent better.

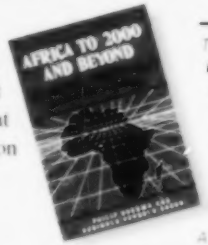
Responding to criticism about government policies in Africa being heavily influenced by Bank pressures, Mr. Jaycox acknowledged the strategic role the Bank was playing in Africa by directly or indirectly standing on "the critical path" of nearly 75 per cent of total capital flows and debt relief to African countries — "a fact that the Bank is uncomfortable about." But he said that changing donor attitudes to aid meant that external support would be sharply focused on the true reformers and performers.

Africa must formulate policies designed to meet its own needs rather than to win international approval.

Conclusions

Conference participants expressed strong support for the following priority propositions:

- Africa's human and natural resources are easily sufficient to revive progress if a concerted, determined effort is launched within each society, and coordinated regionally.
- Such efforts will only succeed if Africans take full charge of them and formulate policies which are geared to meet national needs rather than win international sanction.
- Participatory political structures and "good governance" are essential preconditions for effective policy-making.
- Only Africa can reverse its decline. But given an international economic environment which is mostly contrary to African interests, external finance — aid as well as loans and investment — will remain essential for some time to come.
- Structural adjustment policies are an important but minor aspect of the overall policy framework required to initiate economic recovery and development.
- The criteria of success for economic policies must be the improved health and education of the population, and increased employment and production. Therefore, the agricultural sector, which employs the vast majority of Africans, is central to economic revival.
- The role of political leadership and government action has been downplayed in international debate; weakening of government authority is inimical to economic development and social cohesion in Africa.
- Despite the crises, there are wonderful examples of success in numerous countries from which lessons as well as hope can be derived.
- The Organization of African Unity needs more financial and political support from member states, but also a new mandate and new direction. One area in which it needs to play a larger role is helping African countries to negotiate much more effectively with donors.
- The brain drain to industrialized countries is being aggravated by an "internal" brain drain from government service to the private sector because of the severe fall in wages in the civil service. Public service needs to be made financially more attractive. ■



The book ***Africa to 2000 and Beyond: Imperative Political and Economic Agenda*** *by economists Philip Ndegwa and Reginald Green, provided the framework for conference discussions. One of the few comprehensive primers available on the African crisis, the book can be obtained from Mr. Ndegwa's office in Nairobi, fax (254-2) 334456.*

Food time bomb ticking for Africa: Hans Singer

Professor Sir Hans Singer, one of the great development economists of our time, said in an interview during the conference that policy-makers needed to be alerted to the time bomb ticking away for food-importing countries. The elimination of food subsidies by the Uruguay Round will lead to higher prices and will most severely affect Africa, the world's fastest-growing food importer. It is therefore vital, said Prof. Singer, that a pan-African network of research institutes be established to intensify research on indigenous crops such as millet, sorghum and cassava, research for which donor support could be found.

Prof. Singer noted wryly that while industrialized countries were given 14 years to completely phase out food subsidies under the Uruguay Round, Africa is being allowed only three to four years by donors to complete similar exercises.

On structural adjustment programmes (SAPs) as currently formulated, he indicated that their country-by-country approach is not compatible with regional cooperation. To urge Côte d'Ivoire, Ghana, Brazil and Malaysia to all export greater amounts of cocoa was bound to drive down prices, he said, and the disastrous deterioration in Africa's terms of trade is a result, at least in part, of policies advocated by the World Bank, which has been consistently over-optimistic about commodity prices. The Bank must look at SAPs globally to ensure they meet common regional goals.

On debt, Prof. Singer emphasized the importance of the position taken by British Members of Parliament in their All-Party Group on Overseas Development (APGOOD). APGOOD declared last year that it was no longer defensible to maintain a privileged creditor status for multilateral credit institutions since the International Monetary Fund (IMF) sits pointlessly on vast amounts of gold and the World Bank has tremendous financial reserves. Selling 3 per cent of the IMF's gold reserves would have no effect on the world economy, but would provide significant benefits for debt-distressed countries that cannot obtain relief or rescheduling on their multilateral debt. ***S.L.***

Africa under pressure

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modity earnings, the Bank warned that the boom was "transitory, with real prices in 2005 no higher than in 1990."

With the UN Conference on Trade and Development (UNCTAD) reporting that FDI is just 12 per cent of net flows to sub-Saharan Africa, a sign of growing dependence on official loans and grants, the continent is likely to be a major victim of the cutbacks in aid flows. The World Bank notes that "even the best performers" in Africa rely "heavily on foreign grants" and any cut in ODA "could easily destabilize public finances." The Organization for Economic Cooperation and Development (OECD) says the fall in 1994 global aid flows was less steep than the 8 per cent plunge of 1993. But any decline is significant and this "alarming" trend should be quickly reversed, said the developing countries' Group of 24 at the Bank/Fund meetings.

Mr. James Gustave Speth, Administrator of the UN Development Programme, put it bluntly: "In today's incredibly inequitable world, the rich countries have limited credibility and potential for leadership unless they put their money where their mouths are – and that goes particularly for the US, which is dead last (among major donors) in ODA as a percentage of gross national product."

With European donors also plan to cut aid (see box), World Bank official Andrew Steer told the UN Commission on Sustainable Development (CSD) in April that concessional aid is becoming an "endangered species."

Fears for IDA-11 replenishment

This feeling was widely shared in Washington in late April during initial talks on the eleventh replenishment of the International Development Association (IDA), the soft-loan arm of the World Bank, which lends around 40 per cent of its resources to sub-Saharan countries. Given the mood in Washington and other donor capitals, aid officials feel the IDA-11 replenishment will not be as "robust" as the $18 bn committed for IDA-10. They add that other lending would suffer since IDA attracts additional funds from donors in the form of co-financing for projects.

The tone is being set by US lawmakers who are chopping away at foreign aid and have already cut money meant for the African Development Fund (ADF), the soft-loan arm of the African Development Bank (ADB), and for IDA. Fearing further cuts, the World Bank took out advertisements in major US newspapers in late May pointing out the direct benefits to the US of continued support for the World Bank and other multilateral banks. While the US paid $3.5 bn into such institutions in 1993-94, US companies won $4.7 bn in contracts from them, says World Bank external affairs director Mark Malloch Brown.

The aid raids began in February when the US House of Representatives passed a rescission bill that found more money for defense by taking $62 mn from the ADF and $110 mn from a resettlement project for Russian military officers. When the bill reached the Senate, the Foreign Operations Sub-committee chair Mitch McConnell tried to restore money for the Russian project with $110 mn already earmarked for the Development Fund for Africa (DFA). This main channel for US aid to Africa is run by the US Agency for International Development (USAID), itself an endangered institution as many US legislators want to hand over its functions to the State Department.

Intensive lobbying by US non-governmental organizations led by the Africa Fund, InterAction and the American Committee on Africa dissuaded three key Senators from backing the bill. But in the horse-trading to protect DFA money, Senators agreed to cut $60 mn from IDA. Bank officials appeared relieved that the damage was not worse. At one point, some $617 mn (half the US contribution to IDA in 1995) was vulnerable because its release was made conditional on US Treasury endorsement of Bank internal reforms such as better project implementation. The Bank satisfied the conditions by February.

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Europe wrangles over aid for ACP states

By ***Shada Islam***
Brussels

The 15 European Union (EU) governments have disagreed sharply over future aid in the Lomé Convention with 70 African, Caribbean and Pacific (ACP) states, 40 of which are among the poorest in the world. A new five-year package was to be announced in Brussels at end-February. But France, the current president, had to call off a key meeting with ACP ministers because the EU could not agree on a "presentable" aid package. With several European governments still in dispute over individual contributions, France has promised a solution to the problem before the EU's 27 June annual summit in Cannes.

While the ACP wants the Lomé aid fund to rise from some $14 bn in 1990-95 to at least $20 bn in 1996-2000, the European Commission (the EU's executive agency) has proposed $18.5 bn. This, says European Development Commissioner João de Deus Pinheiro, accounts for inflation since 1989 (when this fourth Convention was signed) and also the entry into the EU of three rich, new members (Austria, Finland, Sweden).

The fiercest opponents of an aid increase are the UK and Germany, followed by Italy and the Netherlands. After contributing some $2.6 bn in 1990-95, the UK says it will slash its multilateral aid in favour of bilateral programmes. Germany also wants to reduce the $3.3 bn it paid into the last fund because it supplies the lion's share of funding for the new nations of Eastern Europe. Other EU states, including the three new members, are also reluctant to raise their Lomé aid.

The ACP says EU aid cuts are "totally unacceptable," and could bring progress in democratization and economic reform to a standstill. ACP ministerial spokesman Themba Masuku, Swaziland's economic minister, said he was "very, very disappointed" at the EU's failure to agree on a new aid fund.

France is now arguing for an inflation-linked increase to $16 bn and told its EU partners in mid-March that it was ready to raise its own contribution if Germany and the UK would raise their Lomé aid by 9 and 3 per cent respectively. Neither Germany nor the UK had responded at press time.

The ACP has expressed disappointment with French efforts at compromise, but EU officials insist on greater "pragmatism." Any further delay in the negotiations due to disagreements over aid could erode the Convention's credibility and damage the EU-ACP relationship, the officials argue.

But the Brussels-based Liaison Committee for European non-governmental organizations already describes the aid impasse as "deplorable," adding that the EU has stopped paying serious attention to the urgent problems of the world's poorest states.

Naples debt deal falls short of needs

By **Christina Katsouris**
Washington, D.C.

Breaking new ground on debt in February, the Paris Club of official bilateral creditors offered variations of the "Naples" terms for debt relief to Chad, Guinea, Guinea-Bissau, Togo and Uganda. Naples permits up to 67 per cent reduction in export credit debt stock or debt service (principal and interest) owed to Paris Club creditors. Only Uganda was offered debt stock reduction and this trimmed its Paris Club debt by just 26 per cent (see page 12).

This was the first application of the agreement reached in principle by the Group of Seven industrialized nations at their July 1994 summit in Naples (and first proposed by the UK in 1990 as the Trinidad terms). The Paris Club, mainly comprising members of the Organization for Economic Cooperation and Development (OECD), said Naples is a milestone in efforts to reduce Africa's debt overhang, a major obstacle to economic recovery. Of sub-Saharan Africa's $211 bn debt, official bilateral debt amounts to $76 bn, of which about $46 bn is owed to the Paris Club. A few countries have kept up with payment schedules, often at significant social and developmental cost. Most countries have repeatedly negotiated new schedules which many have still proved unable to meet.

Describing Naples as a "compromise between those who wanted to do more and those wanting to do the minimum," the UK's Overseas Development Institute (ODI) said in a March Briefing Paper that the terms "appear likely to provide few debtors with an exit from the debt renegotiation treadmill."

Earlier initiatives offered cancellations of one-third of export credit debt service (the 1988 Toronto terms) and then of 50 per cent (Enhanced Toronto; 1991). Soft loans were either cancelled or rescheduled on a long-term basis and there was also the possibility of debt stock reduction if a country had complied for three years with an IMF programme. Despite these initiatives, some 28 sub-Saharan countries still had unsustainable debt-to-export ratios of over 200 per cent by end-1994.

The Naples initiative targets the poorest, most indebted countries. Those with a debt-to-exports ratio of 350 per cent or more (on a net present value basis) or a per capita income of $500 or less would be considered for 67 per cent relief. Other poor and highly indebted countries would get the 50 per cent given under Enhanced Toronto.

Tough criteria for Naples terms

To qualify for the full Naples treatment, a country needs to have an Enhanced Toronto programme already in place and a seal of approval from the IMF. Most important, a government must convince creditors that it can manage its policies, resources and debt sufficiently well to avoid any further Paris Club rescheduling.

"Sixty-seven per cent stock reduction is not an entitlement per se," one creditor official notes. "It has to be earned. We will only do it if we are really sure that the country won't come back (to reschedule) again."

While this means that few countries are likely to qualify in the near future, aid officials argue that if the aim is to help countries "exit" from future debt reschedulings, it would be pointless to grant full stock reduction to governments which are not managing well.

They also hold out the hope for more stock reductions in the next year, tipping Benin, Burkina Faso, Ethiopia and Mali as the likeliest candidates, mainly because their Paris Club arrears are relatively low and they are making sound progress on policy reform.

Creditors also point out that the 67 per cent debt-service reduction given to Guinea Bissau, Togo and Chad in February will help the governments move towards meeting the criteria for debt stock reduction at a later date. This "interim" relief on debt-service is intended to free up more resources for policy reform and domestic investment while helping a country to better manage its remaining debt-service obligations to the Club. (Guinea got 50 per cent relief on debt-service because its debt and per capita income limit it to Enhanced Toronto terms.)

The conditionality for debt-service reduction appears more lenient. It follows the standard Paris Club requirement that a country must have an IMF agreement and extends relief to countries that have service arrears.

Creditors have two options under Naples

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Sub-Saharan Africa's debt profile ($mn)

Since 1990, sub-Saharan Africa's debt-service payments have fallen by a third while arrears have doubled. This reflects the region's unsustainable debt burden, even after various debt-relief initiatives, including cancellations.

		1988	1989	1990	1991	1992	1993	1994*
DEBT STOCK	**Total Debt**	84,319	173,392	192,202	196,277	195,360	200,388	210,651
	of which: Long-term debt	58,739	142,724	156,972	160,651	156,774	155,890	165,179
	of which : multilateral	7,531	31,477	37,120	40,610	42,416	45,455	49,864
	bilateral	17,038	59,901	68,865	72,073	71,850	71,291	75,964
DEBT RATIOS	**Debt/exports (%)**	91.5	235.3	230.2	242.3	239.2	253.6	254.5
	Debt/GNP (%)	30.7	72.2	73.4	72.9	71.8	73.2	82.8
DEBT RELIEF	**Total amount rescheduled**	n.a.	15,018	6,555	4,189	5,769	1,216	n.a.
	Debt stock rescheduled	n.a.	6,411	391	40	2,059	1	n.a.
	Principal rescheduled	n.a.	5,243	3,984	2,653	2,056	735	n.a.
	Interest rescheduled	n.a.	2,350	1,841	1,264	1,180	383	n.a.
	Principal cancelled	n.a.	3,269	1,531	584	496	510	n.a.
	Interest cancelled	n.a.	126	81	163	67	73	n.a.
DEBT SERVICE	**Total paid**	9,024	13,104	15,149	13,910	12,926	12,007	9,748
	Total due	n.a.	21,104	25,187	22,087	21,827	22,004	21,000
	Total arrears**	1,364	21,802	27,386	32,704	39,379	49,280	53,157
	of which: official creditors	570	14,248	17,214	21,370	26,811	33,840	n.a.
	Net foreign direct investment	33	2,504	854	1,881	1,882	1,782	2,241

* Projected ** Combines arrears on principal and interest

Source: World Bank, World Debt Tables, 1994-95

Naples debt deal

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chosen from the menu for Enhanced Toronto. The first option is to cancel 67 per cent of debt service falling due in the agreed period, while consolidating the rest at market rates over 23 years with six years' grace. The second is to reschedule at concessional rates over 33 years so that repayments in net present value terms fall by the same amount as in the first option.

Disappointing bottom line

Countries that do eventually qualify for the full 67 per cent stock reduction may well be disappointed by the bottom line. For all the talk of 67 per cent relief, only 26 per cent of Uganda's Paris Club debt was actually written off although its debt-to-exports ratio in 1993 was 1,227 per cent. This is because the Paris Club limits relief to debt contracted before the date of a country's first Paris Club rescheduling, known as the cut-off date.

As Uganda's cut-off date is 1981, its eligible debt was relatively small. Club rules also exclude certain categories of previously rescheduled debt. This left Uganda with only 49 per cent of pre-cut-off date debt cancelled.

But other countries could fare better because their first Paris Club rescheduling was much later. Ethiopia's cut-off date is 1992, which could make its eligible debt relatively higher. Burkina Faso could also benefit more for the same reasons.

Debt-service relief should also not be under-estimated, aid officials argue. Chad will pay $4 mn less in bilateral debt service due in 1995. According to the World Bank's *World Debt Tables, 1994-95*, it was to pay $9.1 mn on bilateral obligations and $24.7 mn in total (excluding IMF). Its relief therefore amounts to nearly half its bilateral obligations and about 16 per cent of total debt service due. The relief is particularly significant for countries not paying other bilateral obligations, including some that are highly indebted to the former Soviet Union.

Many people believe that relief needs to be higher, reaching 80 per cent in deserving cases. There is also growing consensus on the need to widen the types of eligible bilateral debt and for the inclusion of post-cut-off date debt in future initiatives.

A recent report of the Development Assistance Committee (DAC) which comprises the 22 major donors in the OECD, said the overall impact of Naples will depend on the "amounts of debt stocks that will actually be eligible for more concessional treatment." The developing countries' Group of 24 called for more flexible application and urged the Paris Club to move promptly to debt stock reduction, accompanied by "new flows of capital to support developing countries' adjustment efforts."

Narrow relief

Looking at the wider picture, critics play down the likely impact of Naples, arguing that sub-Saharan Africa's growing multilateral debt burden leaves many countries with heavy and unrescheduled obligations. Prominent among them are Chad, where multilateral debt accounts for a staggering 77 per cent of long-term debt, Uganda (66 per cent) and Guinea (42 per cent).

But a significant amount of this multilateral debt is concessional, with the obvious exception of some African Development Bank and IMF lending. For many African countries, the long repayment periods and low interest rates (0.05 per cent, for example, on some IMF loans) mean relatively low annual payments.

Source: UNCTAD

The impact of Naples is therefore likely to depend on the relative weight of bilateral and multilateral debt in each country's stock, and on the type of multilateral debt contracted. Multilateral obligations are 26 per cent of Guinea's total debt service in 1995 (excluding IMF), and 60 per cent for Chad.

Still, the issue of multilateral debt has an increasingly high international profile. The Development Committee urged the Bank and IMF executive boards to continue their review of the subject" for discussion at their October meeting. The Group of 24 called for broader coverage and greater resources and concessionality for the little relief currently available on multilateral debt.

One example is the World Bank's Fifth Dimension facility (under which IDA repayments are used to pay interest due on the Bank's quasi-commercial loans). G-24 ministers also strongly urged donors to back the transformation of the IMF's Enhanced Structural Adjustment Facility into a permanent concessional window. They said that implementing "some elements" of the UK proposal to raise capital through the sale of IMF gold reserves "could facilitate the treatment of debt vis-à-vis the IMF." ■

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but some Senators remain set on reducing US funding for IDA. Other donors blocked the use of their IDA contributions in proportion to the amounts withheld by the US until the latter paid up in April, and are watching developments closely.

The World Bank, USAID and NGOs now predict more sweeping assaults on US aid to Africa. "The big fight is yet to come," says Mr. Mike Fleshman of the Africa Fund, adding that with leading US lawmakers seeing little strategic interest in Africa, only South Africa "is likely to maintain current aid levels."

IDA's most immediate challenge is the size of US contributions for 1996. In late May, the House of Representatives Banking Committee approved $800 mn over two years. This is only two-thirds of the $1.2 bn pledged by the White House for IDA-10 in fiscal 1996, and only 50 per cent if US arrears are taken into account. Bank officials say. Some members of Congress say the balance could be made up next year, but others disagree. "This is the best IDA is likely to get, and it could get less," one member warned.

IDA lending is expected to fall sharply in fiscal 1995. New commitments of $1.14 bn in the first nine months were less than half the $2.6 bn lent in all of fiscal 1994. Bank officials say this reflects efforts to improve disbursements and project quality, the impact of civil conflict, and difficult relations with Nigeria, the Bank's largest client in the region.

There was early concern over funds for the World Bank-chaired Special Programme of Assistance for Africa (SPA) with Sweden and Canada among countries that cut their pledges for the 1994-96 SPA, one Bank official says. But Japan has raised its contribution, and if other donors stick to their pledges, total commitments are nearing $6.7 bn, compared with earlier forecasts of some $6.6 bn.

Officials stress that donors will still favour countries committed to adjustment and showing results. "There will always be money for the Mozambiques and the Ghanas," one official said, adding that it would be a tragic irony if funding was slashed just as such countries were turning the corner towards full recovery. ■

Poverty still deepening in Zambia

By **Eric Kashambuzi**

Economic reforms have so far failed to resolve the persistent problems of poverty, unemployment and environmental degradation that have plagued Zambia, a country that today is in a state of economic and social crisis. Zambia was downgraded by the World Bank from a middle to low-income country in the late 1980s and to a least developed country (LDC) by the United Nations in 1991.

Structural adjustment measures, although in place since the mid-1980s, had not been vigorously carried out until President Frederick Chiluba's Movement for a Multiparty Democracy came to power in 1991. The new government inherited an economy characterized by negative levels of growth and employment, high levels of structural poverty, an annual average inflation rate of 93.4 per cent and an external debt of $7.2 bn.

The intensification of structural adjustment measures helped to bring inflation down to under 20 per cent by July 1994, while interest rates fell from 300 per cent to below 100 per cent in early 1994. Zambia pledged its continued commitment to structural adjustment at a donors conference in Paris last December, and donors welcomed the upturn in some of the country's economic indicators.

Donors, however, also voiced concern over the increasing number of Zambians living in absolute poverty, as well as a sharp decline in other key social indicators. Zambia's infant mortality rate, for example, rose from 80 to 108 per 1,000 live births between 1983 and 1993, while 40 per cent of children under five were chronically malnourished in 1993. From 1991 to 1993, per capita GNP fell from $420 to $320.

While the social costs of structural adjustment have been high in rural areas (particularly in remote areas where 65 per cent of the population are women), urban poverty also has worsened.

At the heart of the problem is Zambia's dependence on the copper industry, which contributes 90 per cent of its foreign earnings but is burdened with $640 mn of foreign debt. The post-independence government left the copper-dominant economy it inherited intact despite only moderate growth. When the price of copper began to collapse in 1975, the government did little to help increase peasants' agricultural output or strengthen the rural sector, causing an exodus of peasants to urban areas. Currently, about 50 per cent of the country's population now live in towns where they face increasing poverty and high unemployment due to the withdrawal of consumer subsidies and retrenchment of public sector workers.

Costs of food and other basic goods skyrocketed due to currency devaluation and other adjustment measures. Bread, for example, rose from 12 kwacha a loaf in 1990 to 350 kwacha in 1993. Average spending on food in 1991 reached 71 per cent of household expenditure in urban areas, and 65 per cent in rural areas.

Between 1983 and 1993, Zambia's infant mortality rate rose from 80 to 108 per 1,000 live births.

Survival strategies adopted by Zambians have included cutting down on the number of meals and on the intake of basic foods such as bread, vegetables and animal protein. Many families have also been growing maize, fruit and vegetables in and around cities and towns. Despite such efforts malnutrition has risen sharply, with per capita daily calorie intake declining from 2,227 in 1980 to 1,887 in 1991, well below the recommended daily minimum of 2,400 calories.

The progressive monetization of the rural economy has prompted a shift from food to cash crops in order to meet such basic obligations as health and school fees. Studies show that the nutritional status of women and children is worse among cash crop farmers, particularly where the crops are tobacco, coffee and cotton.

Other effects of the economic crisis include high unemployment among youth. Between 1980 and 1990, the job market shrank by 2.4 per cent while the labour force increased by 30 per cent. In 1991, the International Labour Organization estimated that 150,000 youths were entering the job market annually, while the informal sector, which absorbs nearly 80 per cent of urban workers, was already saturated. The deteriorating social and economic situation has led to an exodus of well-educated and trained Zambians to Southern Africa, North America and Europe. By 1990, Zambia had produced some 12,000 university graduates, but by some estimates over three-quarters of them had left the country.

The economic crisis has also resulted in environmental degradation, with rising poverty in part responsible for the acceleration of deforestation. Tree-cutting for firewood and charcoal is currently one of Zambia's most serious environmental threats, according to the UN Development Programme and the Food and Agriculture Organization. Nationally, the rate of deforestation is roughly 0.5 per cent a year, or 250,000 hectares. But for Lusaka and the copper-producing region, where demand for charcoal is high, the rate of deforestation reaches 2 per cent.

Against this dismal background the effectiveness of Zambia's reform policies must be continuously reassessed. Economic policies based on mining and import substitution have not brought about equitable income distribution. The economy requires greater diversification with priority emphasis on agriculture. Currently, only 14 per cent of Zambia's arable land is under cultivation. More investment in intensive methods of farming, using environment-friendly technology to minimize land degradation, is sorely needed.

With women the major producers of food and protectors of the environment, land reform programmes aimed at benefiting them must be drawn up. Investing in women and improving their access to inputs, services and information are crucial components in Zambia's poverty-reduction efforts. Finally, the top-down decision-making process in Zambia must be more decentralized and less influenced by external forces. ■

Zambia at a glance, 1992

Population	8.6 million
Urban population	42%
People in absolute poverty	5.5 million
Infant mortality rate*	108 per 1,000
Under-5 mortality rate	202 per 1,000
Total external debt	$6.9 bn
Debt as % of GNP	242.5
Debt service ratio	50.3
Life expectancy at birth	45.5 years
Fertility rate	6.5
Adult literacy rate	74.8

*1990

Source: UNDP, World Bank, IMF, UNICEF

Eric Kashambuzi is a Senior Programme Manager, Regional Bureau for Africa, UNDP.

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mit documents contained the strongest language ever in a UN text concerning the social impact of structural adjustment programmes (SAPs). "The results were better than we thought" and showed "a clear manifestation of political will" towards Africa and developing countries as a whole, said Ambassador René Valery Mongbe of Benin, who played a key role in the African Group and G-77 during negotiations on the text calling for increased financial resources.

But some felt the Summit did not go far enough. "There is a lot of good language but very little substance," said Mr. Mahbub ul Haq, special advisor to the UN Development Programme (UNDP).

UN Secretary-General Boutros Boutros-Ghali greets Eritrean President Isaias Afewerki at the Social Summit in Copenhagen.

Non-governmental organizations (NGOs) played a critical role in the Summit's preparation, had a strong presence in Copenhagen with over 2,300 representatives from 840 groups in attendance. On a former naval base on the other side of Copenhagen, another 12,000 people gathered for a parallel Summit called NGO Forum '95. Some of the NGO representatives and activists on hand for Forum '95 expressed their frustration with the Summit's conclusions in an Alternative Declaration (see page 15).

South African President Nelson Mandela called for urgent and concrete measures to end "the marginalization of Africa," and said that his country had learned through bitter experience that "security for a few is in fact insecurity for all." Dr. Richard Jolly, then acting Executive Director of UNICEF, was also among those campaigning for tangible targets and timetables along the lines of those adopted at the 1990 World Summit for Children. But these were not forthcoming.

Participants had no trouble agreeing on the seriousness of the problems at hand. Some 1.3 billion people, one-fifth of the world's population, live in absolute poverty. Most face chronic hunger. Over 120 million people are unemployed, and 2 million children die every year from preventable diseases. Developing nations are strapped with $1.9 trillion in debts. Societies, both rich and poor, are breaking down.

The difficulty in finding real solutions was reflected in the Summit's protracted negotiation process. The Summit documents grew out of three two-week preparatory sessions that began in January 1994 and a week of informal consultations in October. They were finalized in Copenhagen after five days of talks chaired by Ambassador Juan Somavia of Chile.

For Ambassador Somavia, who formally proposed the Summit in 1991 in his capacity as vice-president of the UN Economic and Social Council (ECOSOC), the absence of concrete financial commitments in the final documents was not a cause for alarm since financial resources were not meant to be a paramount issue in Copenhagen. He likened the Summit's achievements to the "consciousness-raising" roles of the 1972 UN Conference on the Human Environment in Stockholm and the 1975 World Conference of the International Women's Year.

In the Summit Declaration leaders committed themselves to formulate — preferably by 1996, the International Year for the Eradication of Poverty — national policies geared to substantially reduce poverty and to eradicate absolute poverty by a target date to be set by each country. Most African delegates, including Ambassador Mongbe, saw the outcome as a positive move. "We needed to have a commitment first" before implementation can be tackled, he said.

Commitments on aid

Such goals made the negotiations on financing, resources and implementation all the more crucial to the credibility of the Summit, and the final documents turned out stronger than many expected.

In addition to committing themselves to "increased ODA, both in total and for social programmes," governments agreed to try to "mobilize new and additional resources that are both adequate and predictable," including from private sources. They reaffirmed the need to strive for fulfillment of the target of 0.7 per cent of gross national product for ODA.

Although the public response from African delegates was hopeful, privately these commitments met with some scepticism. In 1993, ODA levels were at their lowest level in 20 years as a share of GNP, and the political climate in some Group of 7 countries is likely to cause further cuts.

Negotiations on better allocation of existing resources seemed more grounded in reality. One hotly debated proposal was the "20:20 compact" under which an average of 20 per cent of donor country assistance (up from the current 7 per cent), and 20 per cent of recipient countries' national budgets (up from 13 per cent) would be targeted to basic social services. Strongly promoted by UNDP, UNICEF and the UN Population Fund, the proposal was generally welcomed by African governments. Supporters estimated that 20:20 could raise the $30-40 bn needed annually over the next 10 years for basic social services.

The proposition encountered opposition both from some G-77 countries, who feared it might lead to new forms of aid conditionality, and some G-7 countries, who felt it was not readily measurable or implementable. A weakened form of the compact was kept in the Programme of Action as a voluntary agreement, "a mutual commitment between interested developed and developing country partners."

The "appropriate reduction of military expenditures," a politically taboo topic at the 1992 Earth Summit, was included in the Copenhagen Declaration as one possible step to increase resources for social programmes. The ground-breaking negotiations were partly fuelled by UNDP's *Human Development*

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NGOs issue 'Alternative Declaration'

By ***Mark Thomas***

Numerous non-governmental organizations (NGOs) found little to their liking in the outcome of the World Summit for Social Development and its Declaration and Programme of Action. In an "alternative declaration" issued in Copenhagen the NGOs reprimanded the Summit for adopting an economic framework they say "is in basic contradiction with the objectives of equitable and sustainable development."

The Copenhagen Alternative Declaration, although regarded by some NGOs as being too critical of what the Summit did achieve, was signed by more than 600 individual NGOs and NGO associations from the North and the South. It was released during the NGO Forum '95 that ran parallel to the Summit.

The six-page declaration addresses what the NGOs consider the Summit's failings, calls for immediate cancellation of developing countries debts, and is highly critical of the World Bank, International Monetary Fund (IMF) and structural adjustment programmes (SAPs).

The declaration states that although "some progress was achieved in placing critical issues on the table during the Summit ... the over-reliance that the (Summit) documents place on unaccountable 'open, free-market forces' as a basis for organizing national and international economies aggravates, rather than alleviates, the current global social crisis."

It rejects "the dominant neo-liberal system as a universal model for development," and assails the World Bank and IMF for imposing SAPs that "have consistently undermined economic and social progress." The declaration also demands an independent investigation and audit of World Bank and IMF performance prior to September's Fourth World Conference on Women to be held in Beijing.

Mr. Doug Hellinger of the Washington-based Development Group for Alternative Policies said many NGOs arrived in Copenhagen "quite aware that the official Summit documents did not reflect their positions or even reality on many issues." Mr. Hellinger noted, for example, that NGOs had fought successfully during Summit preparatory meetings to put the issue of SAPs and their social costs before the assembled governments.

"But before the Summit started the various financial ministries, especially the US Treasury, stepped in and made sure there would not be any real analysis of structural adjustment programmes," Mr. Hellinger said. "Instead the Summit looked at social crises without really dealing with the underpinning economic causes, such as structural adjustment programmes and debt. It was really quite absurd."

The declaration says SAPs have placed basic social services, particularly health care and education, out of the reach of the poor. SAPs also have contributed to the process of ecological degradation by promoting rapid increases in natural resource exports, deregulating economies and pushing increasing numbers of poor onto marginal lands, the NGOs argue.

The declaration repudiates "the notion of reducing social policy in developing countries to a 'social safety net,' presented as the 'human face' of structural adjustment policies in Summit documents. This proposal is predicated on the withdrawal of the State from one of its fundamental responsibilities."

The Alternative Declaration says the over-reliance that Summit documents place on free market forces aggravates, rather than alleviates, the current global social crisis.

Bank says SAPs work

Mr. David de Ferranti, the World Bank's Director of Population, Health and Nutrition, said that to blame the World Bank and IMF "for all the misfortunes developing countries have experienced over the past 15 years" is both unfair and inaccurate. Economic reform programmes have resulted in strong economic growth and increased social spending in many countries, and "the data and numerous World Bank and private studies clearly show this," Mr. de Ferranti said.

One of the organizations that did not back the alternative declaration was Eurostep (Equal Participation Toward the Solidarity of People), an association of 23 European NGOs. Eurostep's director, Mr. Simon Stocker, said some of the association's members believed the alternative declaration "was in broad terms expressing too negative a view about what was achieved by the Summit and the process leading up to the Summit."

Mr. Stocker said Eurostep would have liked the Summit documents to contain "specific commitments from governments, such as timetables and tangible actions" on issues such as debt relief and the "20:20 compact," as well as a stronger position on ensuring accountability by the World Bank and IMF.

Main economic issues included

"But we were pleased with the inclusion of the main economic issues, and that is something we can work with at the national and regional levels," Mr. Stocker said.

Mr. Ngande Mwanajiti, executive director of the Inter-African Network for Human Rights and Development (AFRONET), an organization of indigenous NGOs in 27 African countries, said the Summit "was very successful in keeping the debate on sustained development and poverty alleviation from falling off the world's agenda. That in itself is an achievement."

But Mr. Mwanajiti said the Summit failed to adequately address the problems associated with structural adjustment. "This will require a real political will that did not seem to be present among some of the leading donor countries at the Summit," he said.

Mr. Rudi DeMeyer, Chairman of the European Network on Debt and Development (Eurodad), a network of NGOs in 16 European countries, termed the Summit "a major disappointment in terms of the commitment to solving the debt problem."

In a statement, Eurodad faulted the Summit for accepting the Naples terms for debt relief adopted by the Paris Club in December 1994 (see page 11). Under the Naples terms, Paris Club creditors can offer up to 67 per cent reduction on some debts owed to them by low-income countries carrying out IMF and World Bank-approved programmes.

Eurodad argued that the Naples terms "falsely pretend to enable countries to exit" from debt problems. "A real case-by case approach, as advocated by creditors, would need to go beyond 67 per cent, up to at least 80 per cent in most cases," the Eurodad statement said. ■

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Report's analysis that a 3 per cent reduction in military spending would yield some $460 bn annually for a five-year period.

In the Declaration, leaders pledged at the national level to protect the poor and vulnerable, especially women, from budget cuts mandated under SAPs. At the international level, they would work with multilateral development banks to complement adjustment lending with lending for social programmes, and to ensure SAPs respond to the conditions and needs of each country.

President Jerry Rawlings of Ghana said that as the leader of a country that had undergone 12 years of SAPs, he now believed "that structural adjustment, to be successful, must be reciprocal." Developed countries must also restructure their economies to reduce consumerism, pay appropriate prices for commodities and open up their markets, he said.

World leaders pledged to find "development-oriented and durable solutions" to external debt problems through implementation of the new Naples Terms agreed to by the Paris Club in December 1994 (see page 11).

Ambassador Razali Ismail of Malaysia, who chaired the informal negotiations on resource questions, said that although the Declaration's language on debt "could not be taken to the bank as collateral," it showed movement among bilateral lenders that eventually would be reflected in greater debt reduction and cancellation.

Citing the continuing resistance of certain G-7 countries to cancellation or significant reduction of debt during the negotiations, Dr. Charles Utete of Zimbabwe, Chief Secretary to the President of Zimbabwe and a leading African on the Summit Bureau, doubted the language in the Declaration would have much immediate impact for Africa. However, he said that by again putting the spotlight on debt problems the Summit had established an improved climate for bilateral action.

The NGO women's groups were particularly successful in keeping gender issues high on the Summit's agenda, building on the Cairo Conference on Population and Development's strong acknowledgement of the need to empower women, and promising more for September's Fourth World Conference on Women in Beijing. As part of the Copenhagen Declaration, governments committed themselves to "enhancing the participation and leadership roles of women" by promoting changes in policies and laws and ensuring equity in decision-making processes.

African leaders speak

The Summit culminated in the gathering of heads of state and government on 11-12 March. Mr. Boutros-Ghali told the leaders that their presence gave "immense political weight" to the Declaration and Programme of Action, and was the "best guarantee that the follow-up to the Summit will yield concrete results."

African leaders, not surprisingly, stressed the negative impact of debt servicing, unfavourable terms of trade and SAPs — and sometimes political strife and refugee flows — on their ability to provide a decent life for their people. Zimbabwean President Robert Mugabe said such obstacles, unless removed, "rendered the vision of social development" in the draft documents "nothing but an insubstantial dream."

President Yoweri Museveni of Uganda charged that additional foreign aid would be futile unless African countries created conditions favourable to private enterprise and democracy, eliminated tariff and other barriers, invested in infrastructure, and fought corruption.

Tanzanian President Ali Hassan Mwinyi sought a "minimum package of social goals for which we must establish targets and timetables, and commit financial resources." He lamented the "strange twist of fate" that "the poor must be poorer so that the rich can get richer."

Aside from North-South issues, the major ideological battle played out in the high-level speeches was whether market forces promoted or undermined social well-being. US Vice President Al Gore lauded the market system's "demonstrated potential to create broadly distributed new wealth." At the same time, he said the US would "remain engaged" in its commitment to assist the poor and disadvantaged, both at home and abroad, in spite of the "intense political struggle" being waged domestically.

Cuban President Fidel Castro Ruiz countered with a powerful speech on the negative effects of consumer societies, neoliberalism, debt, the arms race and the trade embargo against his country. He concluded by saying, "Let the wealth of this world be better distributed amongst all nations and inside them all."

While praising the "boundless potential" of market economies, Mr. Boutros-Ghali said that there "has come a recognition that the very poorest countries cannot follow market models unless they possess foundations that can only be built with help from others."

President Nelson Mandela of South Africa being escorted into the Summit

For the follow-up process stipulated in Summit documents, action on poverty eradication will be evaluated by the UN General Assembly in 1996. The Assembly was requested to hold a special session in the year 2000 to review overall implementation of the Summit's recommendations. ECOSOC was invited to review in 1995 the mandate of the Commission on Social Development, which could play a leading role in follow-up. (Proposals for an Economic Security Council had been shot down by both G-77 and developed countries.)

Whether the Social Summit will actually improve people's lives will depend on whether — in the closing words of Denmark's Prime Minister Poul Nyrup Rasmussen — "commitments, forceful as they may be" can "stand the test of time." ■

UNIFEM's drive for African women

By **Shala Mokgethi**

Women are both the backbone of Africa's economies and agents of change whose capabilities must be reinforced, says Dr. Achola Pala Okeyo, head of the Africa Section at the UN Development Fund for Women (UNIFEM). The message is not new but still needs to be spread throughout Africa and the donor community, she told *Africa Recovery* in a recent interview.

In order to better their future, African women "must formulate, articulate and own their agenda and issues," she insists. As UNIFEM Director Noeleen Heyzer told the 6-12 March World Social Summit in Copenhagen, "few women have been allowed, much less equipped, to become independent economic actors." Poverty, she stressed, cannot be eradicated until all its causes are addressed. These include discriminatory development policies and social and market structures.

Dedicated to the "empowerment of women" in their "struggle for equality, development and peace," UNIFEM started up in 1976 as the Voluntary Fund for the UN Decade for Women and became an autonomous body in 1985. It gives technical and financial aid to women's initiatives in developing countries, supporting their entry into mainstream development planning and decision-making. UNIFEM has worked in Africa since 1976 and invested over $22 mn since 1990 in African agriculture, food security, environmental management, trade, industry, national planning and women in conflict and emergency situations. However, due to its current financial constraints, UNIFEM has had to cut funding for 1995 programming and will not be able to commit to any new activities in Africa for the time being.

UNIFEM Director Noeleen Heyzer

Sustainable progress, Dr. Pala Okeyo notes, requires genuine partnerships at local and international levels. Many more women professionals in Africa, she adds, should get involved with women's groups to "help draw up their proposals, contact the funding sources and do things that village communities would not normally be able to undertake internationally."

She cites UNIFEM's support for an Ethiopian non-governmental organization (NGO), the Family Development Project (FADEP), as it launched a programme in 1989 that helped over 10,000 women and their families to design, implement and evaluate small-scale projects to supply the food, fuel, and water needs of six rural communities.

UNIFEM also promotes intra-African collaboration. One example is the cassava-processing plant built in 1993 by the women of Cameroon's Pouma district with UNIFEM support. The women were trained by Ghanaian technicians to maintain the equipment and the project is currently assisted by AID Cameroon, a women's NGO of scientists, economists and businesswomen.

Another long-term, collaborative effort to reinforce women's skills and self-reliant income potential is the Kusoma project (*kusoma* means "to learn" in Swahili), co-funded by UNIFEM, Tototo Home Industries Project of Kenya, the Fund for a Free South Africa and World Education. Set up in 1992, the project has allowed 30 South African women's groups to send representatives to Kenya to be trained as trainers in small-business management and leadership for women's groups all over South Africa.

A major lesson from these projects is the positive social impact of women's empowerment, says Dr. Pala Okeyo. She mentions the small salt-extraction project in north-west Morocco where UNIFEM supported local women who had organized themselves to share access to a salt-water stream. The salt is used for preserving olives, so activity peaks around the olive-picking season.

This is just one of the numerous examples of the impressive lengths people go towards building equity at local levels, with no grand theories of development, says Dr. Pala Okeyo. "They just know that when you are working with other people, you have to share."

UNIFEM project to improve pottery techniques for women at Kalabougou, Mali

But approaching governments for technology support usually means dealing with male policy-makers in a gender-biased society. Therefore, UNIFEM combines policy advocacy with community-based work, before holding a seminar with policy makers and villagers. Discussion of concrete examples of what women are doing by themselves facilitates the promotion of gender-sensitive development practice, Dr. Pala Okeyo says.

In such ways, says Dr. Pala Okeyo, UNIFEM helps create an environment which allows women to apply their knowledge and abilities to develop meaningful solutions to Africa's problems. African men, particularly the policy-makers, she concludes, must grow to recognize and support women's aspirations, in a genuine partnership to manage the changes that Africa desperately needs. ■

Global Coalition looks to the year 2000

The Maastricht II Conference, to be held 27 to 28 November 1995, will bring together African leaders and their major external partners to assess the progress made since the 1990 Maastricht Conference and to discuss what the second half of the decade holds for Africa. Subtitled "Africa's Future and the World," Maastricht II also will chart the future activities of the Global Coalition for Africa (GCA), which was launched in 1991 to examine the continent's most critical social and economic development issues, seek consensus on policies and programmes of action, and monitor results. In conjunction with Maastricht II, there will be an academic conference on Africa, a Dutch NGO day and a GCA Advisory Committee meeting. The driving force behind both Maastricht conferences has been Netherlands Development Cooperation Minister Jan Pronk, who also serves as one of the GCA's three co-chairmen. Below, Minister Pronk discusses the genesis of the first Maastricht conference, what it achieved and its follow-up through the GCA.

By **Jan Pronk**
Netherlands Development Cooperation Minister

Africa's economic position had deteriorated so much by the end of the 1980s that many spoke of a "lost decade for development." Indeed, by the end of the decade many African countries were becoming increasingly aware of the deepening problems of their economies, including growing fiscal imbalances, stagnating agricultural and industrial development, faltering social programmes, joblessness and food insecurity.

The international discussion on Africa had become polarized. Many saw the World Bank as emphasizing prices, markets, the private sector and exports in development programmes while relatively neglecting programmes needed to address human resource development and institution building. The Economic Commission for Africa and the Organization of Africa Unity, on the other hand, were regarded as stressing these longer-term objectives and the role of governments in achieving them without fully acknowledging the importance of short-and medium-term macro-economic policies and the role of markets and the private sector.

It was not until the end of the 1980s that we saw a "technical" consensus emerging on the approaches to Africa's problems. The difficulty was how this technical consensus could be converted into a political consensus that embraced the convictions of both African and donor governments. As a result, the concept of the Maastricht Conference, an informal meeting where political leaders could exchange views in a relaxed manner, was born.

The Netherlands government invited the African and donor governments at the ministerial level, as well as heads of regional and international agencies, to the 2-4 July 1990 conference. Maastricht was one of the initial steps in the process of building a political consensus and encouraging the deepening and widening of such a consensus.

I invited President Ketumile Masire of Botswana and Mr. Robert McNamara, a former World Bank president, to serve as co-chairmen of the conference with me. If there was one issue addressed at the conference that gave us a reason for hope, it was the persistence with which delegates from both African and donor countries came back to the subject of improved governance. The conference also emphasized the shared responsibility for moving Africa away from crisis management towards programmes that place long-term, human-centred development at the forefront.

The Maastricht II Conference, to be held 27 to 28 November 1995, will bring together leaders of African and donor countries and international organizations to discuss the current state and future of African economic reform.

To give the conference a permanent follow-up mechanism the Global Coalition for Africa (GCA) was established. GCA's inaugural 1991 Advisory Committee meeting in Paris brought together leaders and ministers from 12 African and 12 industrialized countries and representatives of international organizations. This initial meeting resulted in an agreement on the GCA working through a consensus-building process. It was also agreed that the main focus of the GCA Secretariat should be to deal with governance and democracy; the nexus of population, environment and agriculture; regional integration and cooperation; sharing of economic reform experiences; and national long-term perspective studies.

Over the past three years, Advisory Committee meetings were held in Kampala, Cotonou and Harare. Sub-committees on governance and democracy, economic reform policies and on regional integration were set up and have met at various times. GCA was co-organizer, with host-country Japan and the UN, of the Tokyo International Conference on African Development in 1993. Parallel to the third meeting of the GCA Advisory Committee, the first GCA-NGO conference took place in Porto Novo, Benin. The main aim of the conference was to establish good working relations between GCA and civil society representatives.

With regard to GCA's work programme, progress has been made on various sectors and issues, including governance and democracy, African management of economic reform policies, regional economic integration and cooperation, and monitoring and projection of resource flows. The objective is to help African governments prepare their own long-term perspective plans. The thrust is that these plans should be 'home-grown,' emerging from the work of local technicians. The role of external agencies is one of motivation and demand-led support.

Maastricht II also will be hosted by the Netherlands government, five years after the first one. This conference, in the form of a GCA plenary meeting, hopefully will offer us the opportunity to review our mandate and our first five years, as well as to assess Africa's current state and what the future holds for the continent as we head toward the millennium. ■

African women, African cinema

By Djibril Diallo

Anne Mungai did not get to the stage to receive first prize in the Radio/Television category at the 14th Pan-African Festival of Film and Television (FESPACO) in Ouagadougou for her Swahili-language film *Usilie Mtoto Wa Africa (Do Not Cry, Children of Africa)*.

Victim of some shoving and pushing at the entrance of the venue for the award ceremony, this Kenyan director's twisted ankle prevented her from making it to the podium and fully savouring the FESPACO audience's appreciation of her work. Despite the accident, Anne remained stoic: "The most important thing," she told me, "is that with this prize we have once again made our mark in an art which is still the preserve of men."

In *Usilie*, Anne takes us to the heart of the tough reality of the street children in Kenya's capital, Nairobi. Often reduced to begging, sniffing glue and foraging in dustbins, these children are also at risk from sexual harassment, rape and AIDS.

A dozen films made by women were shown at this FESPACO, a mix of full-length and short films as well as television and video programmes. Aside from Safi Faye (Senegal), Fante Nacro (Burkina Faso), Flora Mbugu (Tanzania), Ngozi Onwurah (Nigeria) and a few others, African women film-makers are not numerous.

Still, they have breathed new life into African cinematography with new perspectives on their subject matter. They are exploring the challenges facing our societies with a depth and originality worthy of feminine intuition.

For example, Anne's full-length *Saikati*, looks at the negative effects of early marriage and rural exodus on girls. The Somali film-maker Soraya Mire, who personally experienced excision, brings her pain to the screen in *Fire Eyes*. "I will never forget the sound of those scissors that separated the flesh between my legs. They only gave me a local anaesthetic and the pain was horrible," she writes in the synopsis.

The cause of Africa's women film-makers does get solidarity from some male counterparts such as Cheikh Oumar Sissoko (from Mali), whose film *Guimba* — winner of the Stallion of Yennenga, FESPACO's main prize — contains an extraordinary exploration of women's issues.

But African film, and women film-makers especially, face numerous obstacles. Anne Mungai stresses that the very idea of making a film is usually associated with men. The result: financiers often hesitate to lend to women. Giving instructions to a crew that is usually mostly male is not straightforward either, Anne adds.

A woman director also has to reconcile professional demands and family obligations. When the production of *Saikati* meant she had to spend long days in the studio, Anne also had to compensate at home in order not to give the impression of neglecting her husband and two children. "I'm doing all I can to be among the best both as a wife and mother and in my profession," she says. "I must respect our culture and I don't intend to neglect my family."

Initiatives for child health

"When you have several children, you feel that every day one of them is ill." Fatoumata knows what she's talking about; she has five children. Through a lot of juggling, she strikes a balance between domestic demands and a full-time job. She is an elementary school teacher in Ditinn, in the mountainous Fouta Djalon region of Guinea, and she and other residents of Ditinn were interviewed by UNICEF's "Newsline West Africa" as part of a health project evaluation.

I must emphasize the importance of such reports from the field — these particular ones are regularly offered us by my friend and colleague Moncef Bouhafa on the 20-odd countries covered by UNICEF's regional office in Abidjan. This is because the usefulness of international and regional meetings on health can only be measured by the difference they make in the lives of our continent's poor.

Health was therefore among the priorities of the Pan-African Conference on Childhood, held in Tunis in January. Tunisia has used its position as current chair of the Organization of African Unity to accelerate the process of safeguarding the health of Africa's children. African countries have to take stock of their progress towards the end-1995 targets set at the 1990 World Summit for Children held in New York.

The Tunis sessions gave us reason to have measured optimism on the performance of our countries. However, there was something of a regression in the area of health. Public spending in this sector continues to decline, with consequences that have often been noted in these pages. Do we need to be reminded that half of Africa's people do not have access to public health services?

The countries that showed the most impressive progress in Tunis are those that had adopted at an early stage a primary health policy based on the "Bamako Initiative." Among them is Guinea, which was therefore able to spread the benefits of this initiative to as remote a village as Ditinn, supplying vaccines and other medication, as well as equipment.

The health centre at Ditinn serves over 10,000 people in eight neighbouring villages, and many new-born babies now survive childhood diseases that once caused havoc. Measles, for instance, is now nearly forgotten. "Many more children are now healthy," says Fatoumata. "There are fewer epidemics and treatment is more readily available."

The principle of the Bamako Initiative is very simple. It involves making the local population responsible for managing and financing primary health care while providing support whenever required. In countries like Benin and Guinea, this initiative has also included such measures as child vaccination along with programmes against diarrhoea-related illnesses, malaria and AIDS.

The fact that the medicines are not free may at first appear to pose a financial problem for already poor people. But the experience of several countries shows that even the poorest families put money aside against the frequent occurrence of sickness. UNICEF, in collaboration with the World Health Organization, makes sure that the cost of basic medicines remains reasonable. ■

**The African Baobab is one of the world's hardiest trees, thriving in even the most arid environment. It is also the tree under which some Africans traditionally meet to decide issues of common concern.*

AFRICA AGENDA

FORTHCOMING EVENTS

5-7 July 1995, Geneva, Switzerland: International Meeting on Mine Clearance. High level segment on 6 July. Contact UN Department of Humanitarian Affairs: Phone (212) 963-3706, Fax (212) 963-9489/1312.

17-18 July, Berlin, Germany: The Effects of GATT on World Agriculture. Contact Farming News: Phone (44-71) 287 9103.

7-9 August, Washington, US: Evolving Responses to an Evolving Epidemic, USAID's Third HIV/AIDS Prevention Conference. Contact Family Health International of AIDS Control and Prevention (FHI/AIDSCAP), 2101 Wilson Boulevard #700, Mail Stop 731, Arlington VA 22201: Phone (703) 516-9779, Fax (703) 516-4489.

7-18 August, Nairobi, Kenya: Meeting of the UN Intergovernmental Negotiating Committee for the Elaboration of an International Convention to Combat Desertification. Contact Arba Diallo: Phone (41-22) 979-9412; or Bob Ryan: Phone (41-22) 979-8413, Fax (41-22) 917-8030.

4-15 September, Beijing, China: Fourth UN World Conference on Women. Contact Conference Secretariat: Phone (212) 963-5086, Fax (212) 963-3463.

26 September-6 October, Geneva, Switzerland: UNCTAD: Least Developed Countries Mid-Term Review. Contact LDC Division: Phone (44-171) 917 5888/90, Fax (44-171) 907-0057/46.

27 September, New York, US: Reporting on the Refugee Migration in the Post-Cold War Era: The Impact of Regional and Ethnic Conflicts. Contact Prof. Topping, Columbia University: Phone (212) 854-3841/42, Fax (212) 854-3342.

6-7 October, Washington, US: African Faith and Justice Network Annual Meeting. Phone (202) 832-3412, Fax (202) 832-9051.

11 October, Tokyo, Japan: Conflict Prevention, Management and Resolution in Africa. Contact Prof. Takashi Inoguchi of United Nations University: Phone (81-3) 5467-1259, Fax (81-3) 3406-7347.

11-13 October, Quebec City: People at the Heart of Development. Part of FAO 50th Anniversary. Contact Symposium 1995, FAO, 65 rue Saite-Anne, Bureau 100, Quebec Canada, GIR 3X5: Phone (1-418) 691-7849, Fax (1-418) 691-7815.

10-14 December, Kampala, Uganda: Ninth International Conference on AIDS and STD in Africa. Contact Uganda AIDS Conference Secretariat, P.O. Box 6, Entebbe, Uganda: Phone (256-41) 25-8538, (256-41) 24-3930 or (256-41) 25-4975, Fax (256-41) 231-1743.

11-23 February, 1996, New York: Third Preparatory Committee Meeting for the United Nations Conference on Human Settlements - Habitat II. US Contact Aliye P. Celik: Phone (212) 963-4200, Fax (212) 963 8721; Nairobi Contact, Christina Engfeldt at Habitat II Headquarters, Nairobi: Phone (254-2) 625006, Fax (254-2) 623919.

WHAT'S TAKEN PLACE

14-16 March, Nairobi, Kenya: Urban Poverty and Governance in Southern and Eastern African Regional Conference. Organized by UN Habitat. Contact Mark Hildbrand: Phone (254-2) 623-207, Fax (254-2) 624-264.

16-18 March, Rome, Italy: Ministerial Fisheries Meeting at FAO, 140 countries adopted "The Rome Consensus on World Fisheries." Contact Chris Newton: Phone (39-6) 5225-6414, Fax (39-6) 5225-6500.

17 March, New York, US: "Women at the Frontline of Development," UN Development Programme Panel Discusstion. Contact Viola Morgan: Phone (212) 906-5980.

31 March, Washington, US: Lessons Learned in Peace-keeping: What Worked, What Didn't, and Why: UN Mission in Somalia. Speakers: Former US Special Envoy, Robert Oakley, Lieutenant General Zinni. Study group convened by the New York-based Council on Foreign Relations. Contact Kenneth Keller: Phone (212) 734-0400, Fax (212) 861-1916.

26 April-9 May, Nairobi, Kenya: Second Preparatory Meeting of the Committee for the United Nations Conference on Human Settlements (Habitat II). US Contact Aliye P. Celik: Phone (212) 963-4200, Fax (212) 963 8721. Contact Christina Engfeldt at Habitat II Headquarters, Nairobi: Phone (254-2) 62-50-06, Fax (254-2) 62-39-19.

28 April, Washington, US: African Development Bank Consultative Meeting of Governors. Attempt to resolve dispute over credit policy of the Bank. Contact Ernest Achona ADB: Phone (225) 20-4783, Fax (225) 20-4006.

1-4 May, Addis Ababa, Ethiopia: Economic Commission for Africa, 21st Meeting of the Conference of Ministers. Contact Paul Agoli-Agbo: Phone (251-1) 510-172, Fax (251-1) 151-4416.

1-5 May, Dakar, Senegal: 3rd African-American Summit. Contact Mr. Ralph Perkins: Phone (800) 835-3530, Fax (602) 443-1824.

8 May, Washington, US: Lessons Learned in Peacekeeping: What Worked, What Didn't, and Why: UN Mission in Rwanda, Speaker was UN Forces Commander in Rwanda, General Romeo Dallaire. Study group convened by the New York-based Council on Foreign Relations. Contact Kenneth Keller: Phone (212) 734-0400, Fax (212) 861-1916.

8-12 May, Pretoria, South Africa: INFO Africa Nova Information Conference. Phone (27-12) 662-1588, Fax (27-12) 662-0456.

5-8 June, Mopti, Mali: Overcoming Global Hunger. Jointly planned by the World Bank and the Malian government. Contact Michael Cohen, World Bank: Phone (202) 473-1015, Fax (202) 473 3112.

12-16 June, Geneva, Switzerland: UNCTAD: Standing Committee on Poverty Alleviation. Issues: International Trade and Poverty Alleviation and making ODA more effective in reaching the poor. Contact Mr. Woodfield: Phone (31-44) 907-5616, Fax (31-44) 907-0048.

16 June, United Nations: Day of the African Child. Contact UNICEF: Phone (212) 326-7314, Fax (212) 326-7260.

3-14 June, Istanbul, Turkey: United Nations Conference on Human Settlements (Habitat II) "City Summit." US contact Aliye P. Celik: Phone (212) 963-4200, Fax (212) 963 8721. Contact at Habitat II Headquarters Christina Engfeldt: Phone (254-2) 625-006, Fax (254-2) 623919.

18-23 June, Wellington, New Zealand: Second Commonwealth NGO Forum - Paths out of Poverty: NGOs' role. Contact Council for International Development: Phone (64-4) 472-6374, Fax (64-4) 472-6375.

26 June - 28 July, Geneva, Switzerland: ECOSOC 1995 Substantive Session. High-level segment (4-6 July) focusing on development of Africa, including the implementation of the United Nations New Agenda for the Development of Africa in the 1990s. Contact Margaret A. Kelley at ECOSOC: Phone (212) 963-4640; Fax (212) 963-5935.

26-28 June, Addis Ababa, Ethiopia: Annual OAU Summit. Contact OAU Ethiopia: Phone (251-1) 511-299, Fax (251-1) 517-700; OAU US: Phone (212) 319-5490, Fax (212) 319-7135.

26-30 June, Washington, US: Workshop on Economic Justice in/for Africa. Contact African Faith and Justice Network: Phone (202) 832-3412, Fax (202) 832-9051.

Integrating the informal sector

The informal sector accounts for about 60 per cent of the urban labour force in low-income African countries and 20 per cent of their GDP. The UN Office of the Special Coordinator for Africa and the Least Developed Countries (OSCAL) prepared a policy paper on "Expanding and Integrating the Informal Sector in African National Economies" that outlines how to improve sector access to infrastructure, technology, training and credit. The paper was the basis for discussion at the Informal Sector Workshop OSCAL organized with the Department for Policy Coordination and Sustainable Development and the UN Development Programme (UNDP) on 13-15 June in New York.

The workshop featured panel discussions on the participation of women and the roles that the UN system, donor agencies, financial institutions and government and non-government organization can play. Mr. Nitin Desai, Under-Secretary-General for Policy Coordination and Sustainable Development, opened and closed the session. Panel chairpersons include Ms. Sarah L. Timpson, Deputy Assistant Administrator and Director of the Bureau of Policy and Programme Support, UNDP; Mr. Martin Huslid, former Permanent Representative of Norway to the UN; and Ms. Marie Angélique Savané, Director, Africa Division, UN Population Fund. Speakers came from the major regional, bilateral and multilateral institutions and non-government organizations. Contact OSCAL: Phone (212) 963-5006 / 4839; Fax (212) 963-3892.

AFRICA BOOKS

Turning crises into opportunity

Development's Last Frontier: What Prospects? by Sadig Rasheed (ICIPE Science Press 1994). In four essays on African development, the UN Economic Commission for Africa's Chief of Public Administration, Human Resources and Social Development Division, discusses what it takes for "crises to be turned into opportunity." Mr. Sadig Rasheed argues that while an upward turn in Africa's development is possible, it cannot be attained on the basis of current development paradigms and through the continent's existing economic structures.

Mr. Rasheed provides an analysis of the prevailing economic and human conditions in Africa and the changing economic and political realities, both globally and regionally. He also includes a critical review of African social science and policy making and their relationship since the 1960s.

One essay, "The Informal Sector: What Role in Africa's Development and Transformation?", considers Africa's informal sector in the context of structural adjustment programmes and the continent's economic crisis. Right now, the preoccupation in Africa is for sheer survival, but Mr. Rasheed wonders whether Africa's marginalization can be reversed. Despite falling per capita growth rates, worsening poverty, intensification of armed conflicts and political instability, he says there is a glimmer of hope.

A Blighted Harvest: The World Bank and African Agriculture in the 1980s by Peter Gibbon, Kjell J. Havnevik and Kenneth Hermele (James Currey, London; 1994; 176 pages; hb £30; Pb £12.95)

Action in Africa: The Experience of People actively involved in Government, Business and Aid ed. Douglas Rimmer (James Currey, London; 1993; in association with the Royal African Society; 192 pages; hb £35.00; pb £9.95)

Apartheid's Contras: An Inquiry into the Roots of War in Angola and Mozambique by William Minter (Zed Books, London; 1994; hb $69.95, pb $29.95)

Beyond Conflict in the Horn: The Prospects of Peace and Development in Ethiopia, Somalia, Eritrea and Sudan eds. Martin Doornbos, Lionel Cliffe, Abdel Ghaffar M. Ahmed and John Markakis (Red Sea Press, Lawrenceville, Kan.; 1992; hb $49.95, pb $16.95)

Beyond Economic Liberalization in Africa: Structural Adjustment and the Alternatives eds. Kidane Mengisteab and Ikubolajeh Logan (Zed Books, London; 1995; hb £45, pb £18.95)

Beyond Urban Bias in Africa: Urbanization in an Era of Structural Adjustment by Charles M. Becker, Andrew M. Hamer and Andrew R. Morrison (James Currey, London; 1994; 352 pages; hb £40, pb £16.95)

Corruption, Democracy and Human Rights in West Africa: Summary Report of a seminar organized by the Africa Leadership Forum in September 1994 in Cotonou (ALF Publication, Cotonou, Benin; 1994; 177 pages)

Easy Prey: Child Soldiers in Liberia by Janet Fleischman and Lois Whitman (Human Rights Watch/Africa, New York; 1994)

Ending Mozambique's War: The Role of Mediation and Good Offices by Cameron Hume (United States Institute of Peace Press, Arlington, Va.; 1994; hb $24.95, pb $14.95)

Eritrea and Ethiopia: From Conflict to Cooperation ed. Amare Tekle (Red Sea Press, Lawrenceville, Kan.; 1994; hb $49.95, pb $16.95.)

Ethnicity and Conflict in the Horn of Africa eds. Katsuyoshi Fukui and John Markakis (James Currey, London; 1994; 256 pages; hb £35, pb £12.95)

Bargaining for Peace: South Africa and the National Peace Accord by Peter Gastrow (United States Institute of Peace Press, Arlington VA; 1994; hb $19.95, pb $10.94)

HIV and AIDS: The Global Inter-Connection, ed. Elizabeth Reid. A publication of the UN Development Programme, which gives voice to the reflections of those who live with the AIDS epidemic in the developing world. (Kumarian Press, West Hartford, Conn.; 1995; 227 pages; $14.95)

Etude des Coûts de Contrepartie de l'Assistance Technique by Lamine N'diaye (Center for Economic Research on Africa, Montclair State University; 1994; 75 pages)

Invisible Crimes: US Private Intervention in the War in Mozambique by Kathi Austin (Africa Policy Information Centre, Washington; 1994; $5.50)

Mwalimu: The Influence of Nyerere by Colin Legum and Geoffrey Mmari (James Currey, London; Africa World Press, Trenton, N.J.; 1995; 224 pages; hb $49.95, pb $16.95)

Negotiating Structural Adjustment in Africa ed. Willem van der Geest (James Currey, London; 1994; 320 pages; hb £35.00, pb £12.95)

Humanatarian Monitor: Sudan, Somalia and the Legacy of Conflict in the Horn of Africa ed. Jennifer Parmelee (InterAfrica Group, Addis Ababa; 1994; 42 pages; $10)

Recolonization and resistance in Southern Africa in the 1990s by John Saul (World Press, Trenton; 1993; 208 pages. hb $39.95; pb $12.95)

Recreating Ourselves: African Women and Critical Transformations by Molara Ogundipe-Leslie (Africa World Press, Trenton, NJ; 1994; 279 pages. cloth $49.95; pb $16.95)

RENAMO: From Terrorism to Democracy in Mozambique by Alex Vines (British Edition, James Currey Ltd.; London; US Edition, Africa World Press, Trenton, NJ; 1995; 224 pages. hb $49.95; pb $16.95)

Senegal: Les Ethnies et la Nation by Makhtar Diouf (Co-published by UN Research Institute for Social Development and Forum du Tiers-Monde; and Editions l'Harmattan, Paris, 1994; 205 pages)

Trends in Development Bank Lending 1995 by Nicholas Ludlow and Benjamin Pappas (Development Bank Associates, Washington DC; 360 pages; $295). Contains over 180 charts and 95 tables tracking lending since 1985 in more than 40 sector categories of the World Bank and all regional banks including the African Development Bank. The charts and tables also indicate trends and planned lending through 1997/98. Includes over 100 pages on Africa by region and country.

War and Hunger: Rethinking International Responses to Complex Emergencies edited by J. Macrae and A. Zwi, foreword by M.M. Sahnoun (Zed Books; London; 1994; hb £39.95; pb £14.95)

Without Troops and Tanks: Humanitarian Intervention in Ethiopia and Eritrea by Mark Duffield and John Prendergast (Red Sea Press, Lawrenceville, Kan.; 1995; hb $49.95, pb $16.95.)

World Food Aid: Experiences of the Recipients and Donors by John Shaw and Edward Clay (James Currey, London; 1993; 256 pages; hb £35.00; pb £12.95)

RWANDA

Devant le mal. Rwanda, un génocide en direct by Rony Brauman (Arléa, Paris; 1994; 70FF)

Humanitarian Intervention and the Genocide in Rwanda by Patrick J. O'Halloran (Research Institute for the Study of Conflict and Terrorism, London; 1995)

Les crises politiques au Burundi et au Rwanda (1993-1994) ed. Andre Guichaoua (Karthala, Paris; 1995; 790 pages; 220 FF)

Rwanda: An Agenda for International Action by Guy Vassall-Adams (Oxfam, Oxford; 1994; £3.95)

Rwanda, histoire d'un génocide by Colette Braeckman (Fayard, Paris; 1994; 120FF)

Rwanda: Death, Despair and Defiance by African Rights (African Rights, London; 1994). The first major, detailed account of the Rwandan tragedy. It includes analysis of the political and historical context, extensive testimony by survivors and an examination of the international response to the genocide.

Rwanda: Which Way Now? by David Waller (Oxfam Publishing, Oxford; 1995; £5.95)

SOMALIA

Crisis Management and the Politics of Reconciliation in Somalia from the Uppsala Forum edited by M.A.M Salih and Lennart Wohlgemuth (Scandinavian Institute of African Studies, Uppsala, Sweden; 1995; 176 pages; SEK 200; £19.95)

The Invention of Somalia edited by Ali Jimale Ahmed (Red Sea Press, Lawrenceville, 1995; hb $49.95, pb $16.95.)

Somalia: Crimes and Blunders by Rakiya Omaar and Alex de Waal (James Currey, London; 1994; 192 pages; hb £30.00; pb £9.95)

A F R I C A

IN BRIEF

Little general agreement on size of trade losses for Africa

New analyses confirm that Africa will suffer, at least in the short term, as a result of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), but there is still little consensus on the reasons. The Food and Agriculture Organization (FAO) says a rise of 4 to 10 per cent in Africa's import bills can be expected and, while African exports will increase somewhat, they will not be enough to compensate. The World Bank forecasts a import bill increase of only 0 to 2 per cent.

FAO's Committee on Commodity Problems expresses concern that Africa will move from an agricultural export surplus of $1 bn in 1987-89 to a deficit of $500 mn by the year 2000. While this is mainly due to factors such as an increasing population, it forecasts that lower export subsidies on wheat and livestock being sold to Africa could further worsen the deficit by $100 mn.

The demand for food aid will increase and FAO is worried that global cuts in export subsidies will decrease the surplus food stocks historically linked to food aid levels. Preliminary World Bank analysis, on the other hand, finds that export subsidy cuts could actually help increase food aid. "At best it is hard to say," a Bank spokesperson says.

FAO estimates that developing countries will lose a further $200 mn from reduced preferential access to the Japanese, US and European Union markets as a result of the deal. Yet the Bank figures that preferential schemes have only been important for manufactured goods, not the commodities that Africa mainly exports.

As a result of the Uruguay Round, the UN Conference on Trade and Development says the number of Africans living in poverty could increase by a quarter million. UNCTAD projects that the erosion of preference margins will hurt farm labourers and small producers of coffee and cocoa, while increases in the cost of basic foodstuffs will hit already poor households. ■

Food production down and so is aid

Early forecasts by the Food and Agriculture Organization (FAO) suggest Africa's cereal production in 1995 may be 20 per cent below the previous year's levels at a time when world import prices of wheat and maize are high and climbing and donor pledges for food aid have gone down. Of the 3.6 mn tonnes of food aid required for the continent in fiscal 1994/95, only 2.8 mn had been pledged and 1.5 mn delivered as of early April.

FAO announced "good to average harvests" in the Sahel and some East African countries, but warns of potential food emergencies in Liberia, Sierra Leone, Burundi, Rwanda and Sudan due to civil strife. A peace agreement in Angola has allowed better distribution of food aid, but only 60 per cent of the required amount has been pledged.

Renewed drought in Southern Africa has reduced harvests, particularly in Malawi, Mozambique, Zimbabwe and Swaziland (see page 3), as have localized droughts in Ethiopia and Uganda. Eritrea also is considered vulnerable.

According to FAO, increased competition for food aid, particularly from Eastern Europe, leaves Africa more vulnerable at a time when food aid requirements are likely to further increase.

Agricultural production was reported to have increased in sub-Saharan Africa in 1993 — along with a somewhat better economic performance — because of higher prices for several key export commodities as well as the ability to compete better at the international level. Nevertheless, agricultural output still lagged behind a 3.2 per cent growth in population. ■

World Bank introduces "micro-finance" programme

By ***David Hecht***

In an attempt to combine private sector development with poverty reduction, the World Bank has initiated a new "micro-finance programme" to increase the credit and savings services for the "self-employed poor." The new Consultative Group to Assist the Poor (CGAP) should be operational by September and, according to one Bank official, "Africa's well-developed informal sector" will see a large portion of the money.

CGAP is to wholesale credit to institutions already active in micro-finance. The actual funding amount is yet to be established but the Bank has agreed to provide up to $30 mn, as long as other donors pool $70 mn from their existing bilateral micro-finance programmes. Arrangements will be completed at CGAP's first consultative meeting at the end of June in Washington, at which various regional and multilateral institutions such as the UN Development Programme and UN Capital Development Fund will participate. One session of the meeting will include the participation of the micro-finance institutions.

The new initiative is outlined in the Bank's new *Strategy for Reducing Poverty and Hunger*, a report which was released in April. While continuing with macroeconomic structural reform programmes, the strategy calls for a range of low-cost, micro-level "interventions." The report says that "providing credit presupposes economic growth," otherwise the only way the poor can earn income or pay off loans is to take business away from others.

So far, however, the report notes that there has been "little progress" in the actual reallocation of social spending to alleviate poverty. In March, the Bank also concluded in its second annual report on its 1993 initiative against poverty, *Poverty Reduction: Progress in Fiscal 1994*, that a lack of effective monitoring of poverty programmes continues to impede assessments of their impact.

CGAP disbursements are expected to be mostly grants. The programme, however, will be run along business lines and executed by the Bank's Private Sector Development Department. There is concern that the Bank lacks a "comparative advantage" in the field.

The Bank warns that the proportion of the world's seriously malnourished people living in Africa will rise from 20 per cent to 45 per cent over the next 15 years. In order to combat hunger, the report calls for participatory, decentralized investment lending through local governments and community-based organizations. ■

Poverty is deadliest disease

Poverty is perhaps the major single determinant of individual, family and community health, says the World Health Organization's (WHO) first annual survey of global health. And Africa, with more than half of its population living in absolute poverty, faces more pressing health problems than any other region in the world.

The *World Health Report, 1995 — Bridging the Gaps* says that despite positive global trends, the poor are getting sicker and life expectancy in the least-developed countries (LDCs) now averages just 43 years, almost half that of the industrialized countries. Studies in Côte d'Ivoire, Central African Republic, Congo, Uganda and Zambia found life expectancy in those countries will further decrease by the year 2000.

Children in Africa are most at risk. Of 200 million under-five children suffering from malnutrition in the world in 1990, 25 per cent were in Africa. Half of the 2 million people that die each year from malaria are children and most are African. ■

Canada axes funding for NGOs

The Canadian International Development Agency (CIDA) has decided to end the role of Partnership Africa Canada (PAC) as its chief funding body for non-governmental organizations (NGOs) in Africa. PAC, a coalition of 135 Canadian NGOs, was set up in 1986 to work with African NGOs in support of sustainable development in sub-Saharan Africa.

Between 1986 and 1995 PAC approved more than 670 programmes related to overseas development and awareness-raising among Canadians about issues affecting Africa. CIDA's contribution of C$105.5 mn (US$76.4 mn) to these programmes was made through PAC and matched by C$34.9 mn in contributions raised by Canadian NGOs.

But in late March, CIDA announced that in order to meet 15 per cent cuts in its 1995-1996 and 1996-1997 fiscal year budgets, as well as a 21 per cent cut in the 1997-1998 budget, it would in future directly manage financial transfers to NGOs to ensure that "maximum resources reach developing countries." PAC Executive Director Marc Laporte points out that CIDA has broken its 1992 commitment to PAC of C$75 mn a year over five years. His staff will be laid off at the end of June. ■

South African budget balances social development and economic needs

By ***Colleen Lowe Morna***
Johannesburg

The South African government walked a fine line with its first budget, keeping the business community happy while sending out a clear signal of its intentions to redress apartheid's imbalances through its Reconstruction and Development Programme (RDP).

In a statement, the South African Chamber of Business praised Finance Minister Chris Liebenberg, a former banker, for designing a 1995/96 budget that balances the needs of the RDP and "the imperative of ongoing fiscal restructuring."

The RDP, launched by the African National Congress prior to the April 1994 elections, forms the basis of the government's five-year mandate. Last year's budget, although read after the elections, was prepared by the white minority government.

Presenting the 1995/96 budget in Cape Town in March, Minister Liebenberg said the guiding principles were that it had to be "politically feasible, economically affordable and managerially sound."

The RDP Fund was allocated Rand 2.5 bn ($700 mn) last year, and in keeping with President Nelson Mandela's vow to increase the fund by an incremental R2.5 billion each year for five years, it got a R5 bn ($1.4 bn) boost in the 1995/96 budget. This was partly achieved by skimming fat off various departmental allocations, as well as earmarking some R600 mn from the sale of oil reserves stockpiled during the sanctions era.

Initial sums have been allocated to 20 priority "Presidential Projects," including free medical care for needy under-six children and pregnant mothers in all state hospitals and clinics; a nutritional feeding programme; the electrification of 350,000 homes; and a public works programme for unemployed youth.

The call for a fundamental shift in government spending and prioritization is partly reflected in this year's budget, which cut 11 per cent from defense and boosted spending on health, education and housing. Social spending increased from 53 per cent of expenditure last year to 57 per cent this year. The largest increase is the 80 per cent hike in the housing budget, which now is 3 per cent of total spending (while defense drops from 8.7 to 7.2 per cent of total spending).

Although health only received a 10 per cent increase, officials pointed out this is earmarked specifically for primary health care programmes. Education, at R32.2 bn, or 21 per cent of spending, still takes the lion's share of the budget. This amount also represents a modest increase of just under 10 per cent. Previous criticisms of health and education spending in South Africa had not been so much on the absolute amounts spent, as on the inequities in distribution and inefficiencies in spending that current restructuring programmes are seeking to correct.

The private sector expressed satisfaction with the government's overall commitment to fiscal discipline. With 2.5 per cent growth in GDP last year (after a decade of recession), improved revenue collection and a moderate overall rise in spending, the budget deficit is expected to fall to 5.8 per cent of GDP compared with 6.4 per cent last year. ■

Donors showing confidence in Mozambique

Donors pledged over $1.1 bn in grants, loans and debt relief for Mozambique at a March Consultative Group meeting in Paris. The new funding — almost equivalent to Mozambique's gross domestic product — reflects donor confidence in the Mozambican government's efforts to rebuild the war-shattered economy.

Much of the aid is conditional on continued progress in good governance, democratization and economic reform programmes.

The Consultative Group expects Mozambique's dependency on foreign aid to continue for at least a couple years until new infrastructure and exports, such as natural gas, can be developed. The World Bank says there have been some problems in disbursing aid funds due to a programme duplication in various sectors. The Bank is calling on donors to use "an integrated sectoral approach" that rationalizes funding and programmes. ■

AFRICA WATCH

UNITED NATIONS

New initiative on Africa

Secretary-General Boutros Boutros-Ghali has set up a steering committee to "develop further practical initiatives" to maximize the UN system's support for African development and to raise Africa's prominence on the international agenda. Co-chaired by UN Development Programme (UNDP) Administrator James Gustave Speth and Economic Commission for Africa (ECA) Executive Secretary Kingsley Amoako, the steering committee comprises senior officials of nine UN agencies and departments.

The committee will meet in Geneva in July just after the high-level segment of the Economic and Social Council (ECOSOC). Its proposals will then be discussed in October by the Administrative Committee on Coordination (ACC), the UN's highest internal decision-making body, chaired by the Secretary-General. The proposals will be drawn from the reports of five working groups on water, food security, governance, social and human development, and resource mobilization and the private sector. The groups are to focus UN system collaboration on two or three key objectives and to propose immediate and medium-term actions that are achievable within existing resources and those requiring additional resources. The steering committee, which held its first two meetings in April and May, is supported by a four-person secretariat coordinated by Mr. Sadig Rasheed of the ECA. ■

DEVELOPMENT BANKING

ADB to vote again on president

After failing to elect a new president at their 24-26 May annual meeting in Abuja, Nigeria, members of the beleaguered African Development Bank (ADB) will hold another election for the post on 25 August in Abidjan, Côte d'Ivoire, when current president Babacar Ndiaye leaves office. The leading vote-getters in the election were Mr. Timothy Thahane, a World Bank vice-president from Lesotho, and Mr. Omar Kabbaj, a Moroccan minister, formerly with the International Monetary Fund. Neither, however, received the required 50 per cent of the African members' votes.

The Abuja meeting also failed to resolve disagreements between ADB's African and donor member countries over bank management and policy. Due to the struggle over how the bank is run, the donor countries have been holding back funds for ADB's soft-loan arm, the African Development Fund.

At end-1994, ADB arrears of $259.5 mn were 10 per cent lower than in 1993 but almost four times the 1990 level. Zaire and Liberia hold 80 per cent of the delinquent loans. New loans fell to $644.77 mn last year, 17.4 per cent less than in 1993. ■

COMMODITIES

Threat to cocoa exporters

A University of Amsterdam study suggests that Africa's cocoa export earnings could drop by up to 25 per cent if European Union (EU) legislators in the European Commission (EC) decide to allow vegetable fats other than cocoa butter to make up 5 per cent of chocolate.

The use of these cheaper fats would contravene standards set by the UN Food and Agriculture Organization and the World Health Organization, argued African, Caribbean and Pacific (ACP) cocoa producers when they resolved to fight the move at an end-March conference convened in Abidjan by world's leading cocoa producer, Côte d'Ivoire.

Such fats are already allowed in chocolate made in UK and five other European countries. Major chocolate manufacturers in other EU countries want the same flexibility. Switzerland, which is not in the EU, has already changed its rules to allow the 5 per cent. If the EU follows suit, the International Cocoa Organization predicts an annual fall in cocoa exports to Europe of over 150,000 tonnes, or more than 10 per cent. If this use of vegetable fats becomes the international standard, cocoa exports to the US could also fall by 75,000 tonnes.

ACP nations also agreed that the "5 per cent" rule would not increase demand for shea nut exports of countries such as Burkina Faso and Mali. An Oxfam report points out that shea nuts are "too difficult and costly to exploit," that enzymatic fats would be the likely substitute for cocoa butter and can be produced from any edible oil," and that only chocolate and vegetable fat makers "will be the winners." ■

APPOINTMENTS

UNICEF/Bangladesh/Noorani

Ms. Carol Bellamy of the United States has been appointed Executive Director of UNICEF by Secretary-General Boutros Boutros-Ghali. She replaces Mr. James P. Grant, who led UNICEF from 1980 until his death in January. A former New York State Senator (1973-78) and the first woman president of the New York City Council (1978-85), Ms. Bellamy was Director of the US Peace Corps (1993-95) prior to this appointment. She has also worked on Wall Street as managing director at Bear Sterns & Co. and as a principal at Morgan Stanley (1985-93).

Kennedy Center/Jose Marcus

Mr. James D. Wolfensohn, an investment banker, has been appointed president of the World Bank, replacing Mr. Lewis T. Preston who died in May. On his first day at the Bank, Mr. Wolfensohn announced that Africa would be his top priority and, in June, he made a tour of five countries in the region. An Australian-born US citizen, Mr. Wolfensohn was head of the investment banking department of Salomon Brothers in New York, as well as his own investment firm, James D. Wolfensohn Inc.. He steered the restructuring of Chrysler Corporation and was Executive Director of Shroder Ltd. in London.

WTO/Jean Tang

Mr. Renato Ruggiero, Italy's former trade minister, has been named Director-General of the World Trade Organization (WTO). He replaces Mr. Peter Sutherland, former director of the General Agreement on Tariffs and Trade, who was acting head of WTO. Mr. Ruggiero has held various positions in the European Economic Commission and the Italian government. He has also served as President of the Executive Committee of Organization for Economic Cooperation and Development.